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12/1/02

02-3687 PWG through 02-3709 PWG KS

AFFIDAVIT IN SUPPORT OF APPLICATION FOR
SEARCH WARRANTS

IN THE MATTER OF SEARCH WARRANTS FOR LOCATIONS KNOWN AS:

- P. 8 ✓ 02-3687 A. New York Fried Chicken and ✓ 02-3688 B. Residence
1268 E. North Avenue
Baltimore, MD 21202 P. 11-12 1230 E. North Ave. 2nd Floor Apt
Baltimore, MD 21202
- P. 15 ✓ 02-3689 C. Kennedy Fried Chicken
2738-40 Pennsylvania Avenue
Baltimore, MD 21217
- P. 15 ✓ 02-3690 D. Residence of Haji Zalmai
305 Foxfire Place #B
Cockeysville, MD 21030
- P. 18 ✓ 02-3691 E. New York Fried Chicken
2753 Edmondson Avenue
Baltimore, MD 21223
- P. 20
- P. 21 ✓ 02-3692 F. New York Fried Chicken
409 W. Saratoga Street
Baltimore, MD 21201
- P. 22 ✓ 02-3693 G. Residence of Said Parast
279 Lord Byron Lane Apt. 101
Cockeysville, MD 21030
- P. 24
- P. 28 ✓ 02-3694 H. Kennedy Fried Chicken and ✓ 023695 I. Residence
433 Merryman Lane
Baltimore, MD 21218 P. 28 432 East 32nd Street Apt. A
Baltimore, MD 21218
- P. 30 ✓ 02-3696 J. Kennedy Fried Chicken and ✓ 02-3697 K. Residence
2318 E. Monument Street
Baltimore, MD 21205 P. 31 2318 E. Monument St. 2nd Floor
Baltimore, MD 21205
- P. 33
- P. 40 ✓ 02-3698 L. New York Fried Chicken and M. Residence 02-3699
4700 Liberty Heights Avenue
Baltimore, MD 21207 P. 40 4700 Liberty Heights Ave 2nd Flr.
Baltimore, MD 21207

02-3700 P₂

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N. Residence of Zaid Yafai and Malek Yafee
102 South Clinton Street
Baltimore, MD 21224

02-3701

p-47

O. New York Fried Chicken
5145 Park Heights Avenue
Baltimore, MD 21215

02-3702

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P. New York Fried Chicken
412 E. Baltimore Street
Baltimore, MD 21202

02-3703

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Q. Residence of Ashuqullah Ahmadi
8 Lenis Court
Baltimore, Maryland 21244

02-3704

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R. Kennedy Fried Chicken
3317 Garrison Boulevard
Baltimore, MD 21216

and

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S. Residence
3401 Garrison Blvd Apt A-5
Baltimore, MD 21216

02-3706

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T. New York Fried Chicken
3403 Belair Road
Baltimore, MD 21213

and

U. Residence 02-3707

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3217 Kentucky Avenue
Baltimore, MD 21213

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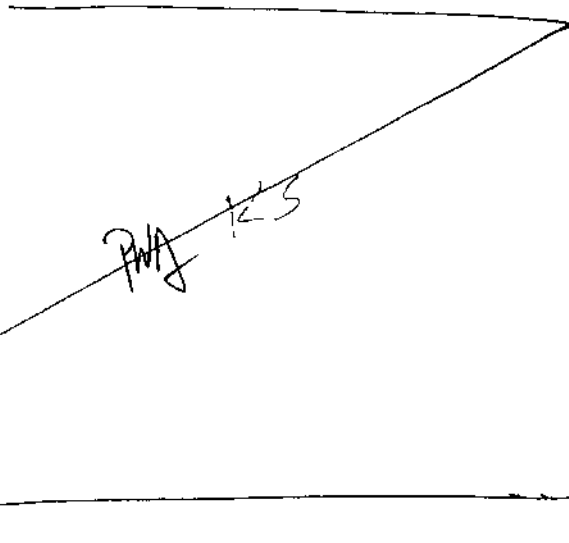
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V. New York Fried Chicken
3141 W. North Avenue
Baltimore, MD 21216

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W. New York Fried Chicken
1407 E. Fayette Street
Baltimore, MD 21202




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AFFIANT'S EXPERIENCE

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 being duly sworn, depose and state that I am a Special Agent with the Internal Revenue Service, Criminal Investigation and have been employed in that capacity since June 1985. Your affiant's responsibilities include investigating criminal violations of the Internal Revenue Laws (Title 26, United States Code), the Bank Secrecy Act (Title 31, United States Code), the Money Laundering Control Act (Title 18, United States Code) and related offenses. Your affiant has been responsible for over 20 investigations of alleged violations under the above statutes. Further, your affiant has participated in the execution of over 30 federal search and seizure warrants and has successfully authored eight search warrant affidavits and twelve seizure warrant affidavits.

In 1982, your affiant graduated from Western Maryland College with a Bachelor's degree in Criminology and graduated with a Bachelor's Degree in Accounting from Towson University in 1985. Your affiant is a licensed CPA in the State of Maryland.

BACKGROUND OF INVESTIGATION

The facts and information contained in this affidavit are based upon your affiant's personal knowledge as well as information from other law enforcement officers involved in this investigation. While this affidavit does not contain every piece of evidence discovered to date, it does not omit evidence that would defeat the probable cause established herein.

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In January 2002, an investigation of numerous New York Fried Chicken and Kennedy Fried Chicken take out restaurants in the Baltimore Metropolitan area was begun. The investigation has uncovered evidence indicating violations of 26 U.S.C. Section 7201, Evasion of Tax; 26 U.S.C. Section 7202, Willful Failure to Collect or Pay over Tax; 26 U.S.C. Section 7203, Failure to File a Return, Supply Information or Pay Tax; 26 U.S.C. Section 7212, Attempts to Interfere with Administration of Internal Revenue Laws; 18 U.S.C. Section 371, Conspiracy to Defraud the United States; 8 U.S.C. Section 1324, Bringing in and Harboring Aliens; and 8 U.S.C. Section 1324(a), Unlawful Employment of Aliens. Your affiant believes that within the premises listed on attachment A, there exists evidence of these crimes, listed on attachment B, as will be presented hereafter.

The investigation began in part as a result of numerous calls from concerned citizens, regarding New York Fried Chicken and Kennedy Fried Chicken take out restaurants in the Baltimore, Maryland area and elsewhere.

Through witness interviews and other sources, it has been learned that the first New York Fried Chicken restaurant opened in New York City in the 1970's by an individual from Afghanistan. It has been determined that the cost to open a new location can range from \$30,000 to \$110,000 depending on the condition of the space and equipment, which often includes creating a living space for numerous employees, many of whom are not lawfully in the United States and who also work "off the books".

The restaurants have the same décor, menu, suppliers and methods of operation. The restaurants in the Baltimore area are all owned by Middle Eastern

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males, primarily Afghans, and are operated by persons from various Middle Eastern countries, including Saudi Arabia, Yemen, Egypt, Pakistan, Somalia, Morocco and Afghanistan.

To date, the investigation has shown that over 30 business locations of New York Fried Chicken and Kennedy Fried Chicken exist in the Baltimore area. It also has shown that the owners of these businesses do not file, or accurately report, business/personal income/expenses on the required corporate, individual or fiduciary income tax returns. As a result of the investigation, and as displayed herein, these owners are conspiring, either together and/or with those in their employ, to evade the reporting of wages and to pay over the appropriate tax with regards to wages. Further, the owners of each business location have failed to file or accurately report the income and expenses from his respective business operation. These business owners, through evasive and deceptive measures, have been successful in this endeavor by 1) hiring illegal aliens and paying their wages in cash; 2) failing to maintain adequate formal books and records; and 3) when possible, paying vendors in cash.

The evidence will also show that the business owners have intentionally conducted their business operations in such a manner as to impede or defeat investigation by the Internal Revenue Service.

Following is a summary of the investigative findings as to each location:

- **The ownership interest of these establishments is often hidden from governmental entities to impede an official investigation or inquiry.** This is evident since many of the owners and employees interviewed claimed not

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to know all of the individuals that shared an ownership interest in the pertinent business enterprise at any given time. Further, determination of the shareholders or officers has been made difficult for each corporation since the records of the Maryland Department of Assessments and Taxation often do not provide sufficient information to identify corporate officers responsible for filing relevant tax returns. Also, the records of other state and local agencies responsible for the licensing of this type of business do not fully identify all claimed owners of each restaurant, due to inadequate information being provided to the agencies.

- **Failure to file and or fraudulently reporting income and expenses of each corporate entity.** The preponderance of expenses are paid in cash in order to avoid a paper trail of income and expenses. These businesses are strictly cash operations. The owners pay the vendors in cash unless payment by check is specifically requested. In turn, deposits into the business bank accounts are sporadic and minimal and only then in sufficient amounts to cover expenses paid by check. Coupled with other types of deceptive activities, this practice logically results in the impeding of a lawful investigation by the Internal Revenue Service and other governmental entities.
- **Wages of employees and owners are paid in cash, thus causing the filing of fraudulent wage statements and the evasion of fiduciary trust fund payments required with the Federal Employer's Tax Return (Forms 940 and 941).** The businesses routinely report a minimal amount of wages for only two or three of their employees and/or owners on these forms. Through

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the investigation we found that only some individuals, usually those with legal immigration status, are reported. Further, the quarterly amounts reported to the government for both owners and employees are minimal compared to the actual wages and hours performed. In actuality, each restaurant has at least two employees working the day shift, 10:00 a.m. to 6:00 p.m. and two or three employees for the night shift, 6:00 p.m. to 2:00 a.m. Employees work six days a week and are paid \$6.00 to \$8.00 per hour.

- **The business owners employ and harbor illegal aliens by providing housing and work.** Many of the illegal aliens live in apartments provided by their employer that are above or near the restaurants. On five separate occasions in the past year, INS agents conducted investigations at many of these establishments and/or related apartments. Approximately fifteen individuals who were employed by these restaurants were identified as illegal aliens and were placed in deportation status.

RETENTION OF RECORDS

Based upon your affiant's training, experience and participation in other financial investigations involving concealment of funds and assets from detection by the Internal Revenue Service and other governmental entities, as well as her education and training as a licensed Certified Public Accountant, she knows that persons engaged in the concealment of income from the IRS and other agencies necessarily maintain some form of books and records that would permit them to successfully operate their business and also to know what, if any, their profit was from their endeavors. While the records

maintained may not take a form that is generally accepted and adopted by the accounting industry, or by businesses in general, they must nevertheless be created and maintained for personal and business reasons (as illustrated in this affidavit). Such books and records (whether in paper or, as is often now common, in electronic form), as more particularly described in Attachment B, are ordinarily maintained over extended periods of time in locations that are readily and easily accessible to the owner of the books and records. Also, the locations are ordinarily places over which the owner of the books and records maintains some dominion and control. These types of locations include residences, business premises, safe deposit boxes and/or storage lockers.

Following is the detailed documentation of the evidence uncovered thus far for each location:

LOCATIONS

A. New York Fried Chicken
1268 E. North Avenue
Baltimore, MD 21202

B. Residence
1230 E. North Ave. 2nd Floor
Baltimore, MD 21202

1. The records of Maryland Department of Assessments and Taxation show that a corporation was formed on April 13, 1999 by the name of New York Fried Chicken, Inc., doing business at 1268 E. North Avenue Baltimore, MD 21202. Said H. Parast is listed as the sole Director and Resident Agent.
2. On April 7, 1999, Esa Mohammed and Said H. Parast signed a lease for the first floor front, suite A at 1268 East North Avenue. This is a five year lease,

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beginning April 7, 1999 through March 31, 2004, with an annual rent of \$12,300.00.

3. On April 4, 1999, Said Parast signed a Terms Agreement (a contract to establish a business relationship) with Holly Poultry, Inc. for this location.
4. On April 20, 1999, Said Parast, as President of New York Fried Chicken Inc. signed a Terms Agreement and Personal Guaranty with Alliant Foodservices, now known as US Foodservice Inc., for this location.
5. A review of IRS databases revealed that New York Fried Chicken Inc. EIN: 52-2168923 has the following filing history:
 - Form 1120, Corporate Income Tax Returns – No returns filed for 1999, 2000, 2001
 - Forms 941, Employer's Quarterly Federal Tax Returns – No returns filed for 1999, 2000, 1st – 2nd quarters of 2001. Returns filed for 3rd – 4th quarters of 2001. Total wages reported were only \$5,600 and \$4,200, respectively.
 - Form 940EZ, Employer's Annual Federal Unemployment (FUTA) Tax Return – No returns filed for 1999, 2000. Returns filed for 2001 reporting total taxable wages of only \$11,500.

[It should be noted that if four employees worked a full year with an hourly wage of only \$6.00, total wages for the year would be \$59,904 (48 hours per week X 4 employees = \$1,152 weekly payroll X 52 weeks)]
6. The State of Maryland Comptroller's Office reported the following filing history for New York Fried Chicken Inc.:

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- Withholding account for Sales and Use Tax as well as Employee

Withholding Taxes reported for April 2000 through January 2002.

Insufficient information provided by the Comptroller to permit an accurate analysis at this time.

- Form 500, Corporation Income Tax Return - No corporate income tax returns were filed.

7. Maryland Unemployment Insurance reported the following filing history:

- Wages were reported for only two employees, Said Parast and Sayed Hakimi for 3rd – 4th quarters of 2001, respectively.
- Wages were reported for only two employees, Said Parast and Abraham Haq Parast (SAID PARAST's brother) for the 2nd quarter of 2002.

8. On May 19, 2000 Bank of America account #39-2938-8839 was opened for this business. In 2000, only nine deposits were made for a total of \$5,260.00 and total withdrawals were \$4,268.49. In 2001, only twelve deposits were made for a total of \$12,866.00 with corresponding total withdrawals of \$13,557.30. From the period of January 1, 2002 through August 31, 2002, only eight deposits were made for a total of \$8,665.90.

[It should be noted that deposits into this account are sporadic and infrequent.

The amounts deposited do not cover the known business operating expenses i.e., rent of over \$12,000 a year, payroll, costs of goods sold, utilities, etc.]

9. On November 27, 2001, the Property Manager at Century Apartments in Cockeysville, Maryland provided information that Atajan Esmat listed his current employment at New York Fried Chicken, 1268 E. North Avenue,

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Baltimore, on his lease application. Esmat has not been listed in any

Maryland Unemployment Filings as an employee of this New York Fried Chicken.

10. On November 20, 2001, the Property Manager at Town & Country Apartments in Cockeysville, Maryland stated that on the lease application of Abraham Haqparast he listed his current employment with New York Fried Chicken, 1268 E. North Avenue, Baltimore Maryland. As noted above, he was not listed as an employee at this New York Fried Chicken until the 2nd quarter of 2002 and then only earning \$5,310.
11. On July 31, 2002, an employee of Deertree Apartments provided a lease application for Khadijia Nader dated April 17, 2001, where she listed her employment, from January 1999 through January 2000, at New York Fried Chicken 1268 North Avenue, Baltimore, MD. As noted above, she was not listed as an employee at this New York Fried Chicken with Maryland Unemployment Insurance.
12. On October 16, 2002, a person who had personal knowledge about New York Fried Chicken at 1268 E. North Avenue (hereafter referred to as John Doe #1) was interviewed and stated that four Canadian Citizens, without work permits, were currently working at this location. John Doe #1 also stated that they all resided in an apartment at 1230 E. North Avenue, Baltimore, Maryland, which is leased by Said Parast. On October 23, 2002, Baltimore City Police went to this apartment to interview an individual. At that time, they asked INS agents to respond to that location where they detained three

individuals residing in the apartment and placed them into removal

proceedings. All three were Canadian Citizens without work permits who said they worked at an unspecified New York Fried Chicken store.

13. On November 26, 2001 and August 12, 2002, Said H. Parast was interviewed. He provided the following information:

- Parast was born in Afghanistan on 1/15/71. He moved to America in 1988 from Pakistan. Since coming to America, Parast has been employed in the fried chicken restaurant industry. In New York City, Parast worked at New York Fried Chicken, Kennedy Fried Chicken, Crown Fried Chicken and Royal Fried Chicken. He eventually became a partner in a Kennedy Fried Chicken in New York City. In 1999, Parast moved to Baltimore and opened the New York Fried Chicken at 1268 East North Avenue Baltimore, Maryland.
- Parast's partners in New York Fried Chicken, 1268 East North Avenue Baltimore, Maryland, are Esa Mohammed, who made a \$10,000 investment and holds a 45% interest; Syed Sheren, who made an estimated \$7,000 investment and holds a 10% interest; and himself, who made an estimated \$7,000 investment and holds a 45% interest. Parast claimed the ownership agreement is in writing.
- Parast owns an apartment house located at 1230 East North Avenue, where he provides lodging for his employees.

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- The business has been open since 1999, but the restaurant had only started making a profit last year. Parast claimed that monthly profits ranged from \$1,800 to \$2,200.
- In the interview of August 12, 2002, Parast stated that he was aware of the requirement for New York Fried Chicken, Inc. to file corporate income tax returns. He claimed his accountant was responsible for filing those returns. First, Parast stated that he did not know whether the corporate returns were filed, but later during the same interview stated that his accountant had filed them. (As previously noted, no corporate returns, Forms 1120, have been filed with the IRS.)
- Parast stated that to the best of his knowledge he does pay payroll taxes and that his accountant handled the payroll taxes for the business. The accountant prepared the necessary paperwork for Parast to sign and prepared the checks. Parast recalled writing a check to the Comptroller of Maryland; however could not recall ever paying the IRS. Currently, there are only three employees and all are paid in cash. Parast did not know the last names of any of his employees. He also stated that the store was in need of two additional employees to properly staff it.
- From the opening of business in 1999 until recently, on a weekly basis the accountant reviewed paperwork, verified information and left receipts and other documents in the store. With a recent change in

accountants, the new accountant visits the store every two or three months to review the paperwork.

- A safe is located on the premises.
- Parast claims he makes weekly deposits into the store's bank account.

[As previously noted, this is not true.]

14. On June 17, 2002, Esa Mohammed was interviewed at his residence and stated that he is a partner with Noor Parast and Mohammed Hashim in the New York Fried Chicken at 1268 East North Avenue Baltimore, Maryland. He did not name Said Parast or Syed Sheren as owners in this business.

15. Surveillance disclosed that this business at 1268 E. North Avenue was still in operation as of November 12, 2002.

16. Based on the foregoing information, and information contained elsewhere in this affidavit, there is probable cause to believe that the following crimes have been committed and that evidence of these crimes is located at these two locations:

- 26 U.S.C 7203, Failure to file Corporate Income Tax Returns for 1999, 2000 and 2001.
- 26 U.S.C 7203, Failure to file Employer's Quarterly Federal Tax Returns for 2nd – 3rd quarters of 1999, all four quarters of 2000 and 1st and 2nd quarters of 2001.
- 26 U.S.C 7201, Evasion of withholding taxes for 3rd and 4th quarters of 2001.

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- 26 U.S.C 7203, Failure to file Employer's Annual Federal Unemployment (FUTA) Tax Returns for 1999 and 2000.
- 26 U.S.C 7201, Evasion of unemployment taxes for 2001.
- 26 U.S.C 7202, Failure to collect withholding taxes for 1999, 2000 and 2001.
- 18 U.S.C 371, Conspiracy to Defraud the United States.
- 8 U.S.C 1324, Harboring of Aliens.
- 8 U.S.C 1324(a), Unlawful Employment of Aliens.

C. Kennedy Fried Chicken
2738-40 Pennsylvania Avenue
Baltimore, Maryland 21217

17. The records of Maryland Department of Assessments and Taxation show that Said Parast and Navid Khan formed a corporation on October 26, 1999 by the name of Khan Brothers Food Corporation. The principal office of the corporation as listed is 2738-40 Pennsylvania Avenue, Baltimore, Maryland 21217. Said Parast is the Resident Agent. The Directors are Said Parast and Navid Khan.
18. The records of Maryland Department of Assessments and Taxation also show that a corporation was formed on June 12, 2001 by the name of Salman Foods Inc, also claiming to do business at 2738 Pennsylvania Avenue, Baltimore, Maryland. The Resident Agent and Director of the corporation as listed is Haji Zalmai, 305 Foxfire Place #B, Cockeysville, Maryland 21030.
19. A search of IRS databases revealed the following:

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- No record of an Employer Identification Number for Khan Brothers Food Corporation, thus no filing history.
 - As for Salman Foods Inc:
 - Form 1120, Corporate Income Tax Returns – No record for 2001.
 - Form 941, Employee Quarterly Tax Return – Reported wages for the 4th quarter of 2001 were only \$3,960. Haji Zalmai as President of Salman Foods signed the return.
 - Form 940, Employer's Annual Federal Unemployment Tax Return – Reported wages for 2001 were only \$3,960. The return was signed by Haji Zalmai, President of Salman Foods, Inc.
 - The mailing address listed on the above filed returns is 305 Foxfire Place #B, Cockeysville, MD 21030.
20. On August 12, 2002 Said Parast was interviewed and identified Haji Zalmai, Navid Khan and himself as partners in this particular location. Parast claimed to hold 33% interest.
21. Maryland Unemployment Insurance records for this location listed total wages of only \$3,990 for the 4th quarter of 2001 for Navid Khan and Haji Zalmai. The same two employees were listed as earning total wages of only \$5,720 for each of the 1st and 2nd quarters of 2002.
22. According to Khadija Nader's lease application with Deertree Apartments in Cockeysville, Maryland dated April 17, 2001, she listed her current employment as Kennedy Fried Chicken, 2738 Pennsylvania Avenue from

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March 2000. As noted above, no filings listing employees at this business was made for that time period.

23. On November 27, 2001, the Property Manager at Century Apartments in Cockeysville, Maryland provided the lease application for Syed Hakimi and Mohammad Tokhi, in which they listed their employment at Kennedy Fried Chicken, 2738 Pennsylvania Avenue, Baltimore, MD. As noted above, the only employees reported to Maryland Unemployment Insurance by the business were Navid Khan and Haji Zalmai.
24. On August 25, 1999, Said Parast t/a Kennedy Fried Chicken, Inc. signed a five-year lease for 2738-40 Pennsylvania Avenue, Baltimore, Maryland. The annual rent is as follows: the 1st year \$800; 2nd year \$900; 3rd year \$11,700; 4th year \$12,600 and 5th year \$13,500.
25. On August 23, 2000, a Terms Agreement with Holly Poultry, Inc. was prepared for this location. Haji Zalmai is identified as the owner. Total inventory purchased by this location was \$34,927.95, \$91,137.16 and \$50,826.60 for 2000, 2001 and up through September 2002, respectively. Cash or money orders were the method of payment until 10/18/01. After that date, checks were used to pay the account.
26. Surveillance disclosed that this business was still in operation as of November 18, 2002.
27. Based on the foregoing information, and information contained elsewhere in this affidavit, there is probable cause to believe that the following crimes have been committed and that evidence of these crimes is located at this location:

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- 26 U.S.C 7203, Failure to file Corporate Income Tax Returns for 1999, 2000 and 2001.
- 26 U.S.C 7203, Failure to file Employer's Quarterly Federal Tax Returns for 4th quarter of 1999, all four quarters of 2000 and 1st-3rd quarters of 2001.
- 26 U.S.C 7201, Evasion of withholding taxes for 4th quarter of 2001.
- 26 U.S.C 7203, Failure to file Employer's Annual Federal Unemployment (FUTA) Tax Returns for 1999 and 2000
- 26 U.S.C 7201, Evasion of unemployment taxes for 2001.
- 26 U.S.C 7202, Failure to collect withholding taxes for 1999, 2000 and 2001.
- 18 U.S.C 371, Conspiracy to Defraud the United States.

**D. Residence of Haji Zalmai
305 Foxfire Place #B
Cockeysville, MD 21030**

28. On November 27, 2002, the Assistant Property Manager of Century Apartments in Cockeysville, Maryland was interviewed and stated that Seema Nader and Haji Zalmai currently reside at 305 Foxfire Place, #B Cockeysville, MD 21030. They moved into the apartment complex in February 2002 and the term of the lease is for one year. The Assistant Manager stated that the monthly rent is \$1,010 and is always paid with money orders. On the lease application, Zalmai and Nader listed their employment at Kennedy Fried Chicken, address not given.

29. BGE account for 305 Foxfire Place #B is currently in the name of Seema Nader.
30. As previously stated, the tax returns filed on behalf of Salman Foods Inc. t/a Kennedy Fried Chicken 2738-40 Pennsylvania Avenue, listed an address of 305 Foxfire Place #B Cockeysville, MD 21030.
31. A search of IRS databases revealed that Haji Zalmai, SSN: 185-64-9358, filed Form 1040, U.S. Individual Income Tax Return for 2001. He claimed Schedule C income from store management of \$12,000 and wages of \$1,980 from Salman Foods, Inc. t/a Kennedy Fried Chicken 305 Foxfire Place #B Cockeysville, MD. Zalmai claimed three dependents, his wife, Seema Nader and two children. The address listed on the return was 305 Foxfire Place #B Cockeysville, MD 21030.
32. Based on the foregoing information, and information contained elsewhere in this affidavit, there is probable cause to believe that the following crimes have been committed and that evidence of these crimes is located at this location:
- 26 U.S.C 7203, Failure to file Corporate Income Tax Returns for 1999, 2000 and 2001.
 - 26 U.S.C 7203, Failure to file Employer's Quarterly Federal Tax Returns for 4th quarter of 1999, all four quarters of 2000 and 1st - 3rd quarters of 2001.
 - 26 U.S.C 7201, Evasion of withholding taxes for 4th quarter of 2001.
 - 26 U.S.C 7203, Failure to file Employer's Annual Federal Unemployment (FUTA) Tax Returns for 1999 and 2000

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- 26 U.S.C 7201, Evasion of unemployment taxes for 2001.
- 26 U.S.C 7202, Failure to collect withholding taxes for 1999, 2000 and 2001.
- 18 U.S.C 371, Conspiracy to Defraud the United States.

E. New York Fried Chicken
2753 Edmondson Avenue
Baltimore, Maryland 21223

33. State of Maryland Department of Assessments and Taxation records show that on September 26, 2000 Articles of Organization were filed for Khanamah Foods, LLC. . The principal office listed was 279 Lord Bryon Lane, Cockeysville, MD 21030. Documents for Khanamah Foods, LLC, were to be mailed to Said Parast, 279 Lord Bryon Lane, Apt T-4, Cockeysville, Maryland 21030
34. A query of IRS databases did not reflect that Khanamah Foods, LLC, ever applied for an Employer Identification Number (EIN), thus there is no filing history.
35. In August 2000, Said Parast, as a managing member of Khanamah Foods, LLC, signed a lease for this location. Syed Sheren was a witness to the signing. The term of the lease is for five years with monthly rent of \$1,300.00.
36. Said Parast, on behalf of Khanamah Foods LLC, for this location, obtained a permit from the Baltimore City Health Department. The permit was issued on October 10, 2001, one year after the lease for the business was signed.

For 2753 Edmonson Ave, Baltimore MD 2122

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37. During the August 12, 2002 interview, Said Parast identified Abraham Haq Parast (his brother) and Syed Sheren (his cousin) as owners of this location, even though Said Parast's name appears on all the paperwork relative this restaurant.
38. Maryland Unemployment Insurance had no account for this location.
39. No bank account was located for this business.
40. Surveillance disclosed that this business was still in operation as of November 15, 2002.
41. Based on the foregoing information, and information contained elsewhere in this affidavit, there is probable cause to believe that the following crimes have been committed and that evidence of these crimes is located at this location:
- 26 U.S.C 7203, Failure to file Corporate Income Tax Returns for 2000 and 2001.
 - 26 U.S.C 7203, Failure to file Employer's Quarterly Federal Tax Returns for 3rd – 4th quarters of 2000, all four quarters of 2001.
 - 26 U.S.C 7203, Failure to file Employer's Annual Federal Unemployment (FUTA) Tax Returns for 2000 and 2001.
 - 26 U.S.C 7202, Failure to collect withholding taxes for 2000 and 2001.
 - 18 U.S.C 371 Conspiracy to Defraud the United States.

**F. New York Fried Chicken
409 W. Saratoga Avenue
Baltimore, Maryland 21201**

42. The records of Maryland Department of Assessment show that on August 9, 2000, Articles of Organization were filed for Nooman Food, LLC. The address

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for the principal office was listed as 279 Lord Bryon Lane, Cockeysville, Maryland 21030. Again, documents for Nooman Food LLC, were to be mailed to Said Parast 279 Lord Bryon Lane Apt T-4, Cockeysville, Maryland 21030.

43. A search of IRS databases revealed that Nooman Food LLC, EIN 52-2353262, has the following filing history:

- Form 1120, Corporate Income Tax Returns – No returns filed.
- Forms 941, Employees Quarterly Tax Returns - Return filed for the 4th quarter of 2001, only wages reported were only \$990.00.
- Form 940, Employer's Annual Federal Unemployment Tax Return - Return filed for 2001. Total wages reported were only \$990.00.
- According to IRS records this corporation was established in November 2001, not August 9, 2000, the actual date of incorporation.

44. The State of Maryland Comptroller's Office certified the following for "Noman Foods Inc.", EIN: 52-2353262:

- Maryland Employer Return of Income Tax – "Zero" amounts telefiled for 3rd and 4th quarters of 2000 and 1st and 2nd quarters of 2001.
- Sales and use tax returns were on file for November 2001 through May 2002. The average monthly sales were \$4,286.57. (To extrapolate, the gross receipts on an annual basis would be equivalent to an estimated \$51,438.) The returns were signed by Syed Hakimi and by an individual whose signature is not legible.
- Form 500, Corporation Income Tax Return – None filed.

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45. On December 4, 2001, Syed Sheren, as President of "Noman Food Inc.",

EIN 52-2353262, opened a checking account #003936382585 at Bank of America. An analysis of this account disclosed that total deposits in 2001 were only \$4,000 and withdrawals were \$1,729.76. From January 1, 2002 through June 30, 2002 total deposits were only \$8,720 and withdrawals were \$9,444.22.

46. On December 11, 2001, First Union opened account #2000014518890 for "Noman Foods, Inc.", 409 W. Saratoga Street, Baltimore, Maryland. The account was closed on January 9, 2002. There was no activity in this account.

47. On December 5, 2000, Said Parast, as owner, applied for a Baltimore City Health Department Permit #15716 for Nooman Food LLC, t/a New York Fried Chicken 409 W. Saratoga Street Baltimore, Maryland 21201. A subsequent permit #6371 was issued to Said Parast on January 8, 2002.

48. Maryland Unemployment Insurance listed Syed Sheren and Syed Hakimi as employees for this location, for the 4th quarter of 2001 and the 1st and 2nd quarters of 2002. Total reported wages for the 4th quarter of 2001 was only \$990 and the reported wages for the remaining two quarters were only \$4,490 for each quarter. Based on the alleged wages reported for the two quarters of 2002, each employee (if only two were actually employed) would have earned gross weekly wages of only \$187.

49. During the interview on August 12, 2002 Said Parast identified Syed Sheren as the owner of this particular location even though Parast's name appears on various business documents associated with this store.

50. Surveillance disclosed that this business was still in operation as of November 12, 2002.

51. Based on the foregoing information, and information contained elsewhere in this affidavit, there is probable cause to believe that the following crimes have been committed and that evidence of these crimes is located at this location:

- 26 U.S.C 7203, Failure to file Corporate Income Tax Returns for 2000 and 2001.
- 26 U.S.C 7203, Failure to file Employer's Quarterly Federal Tax Returns for 3rd – 4th quarters of 2000 and 1st – 3rd quarters of 2001.
- 26 U.S.C 7201, Evasion of withholding taxes for 4th quarter of 2001.
- 26 U.S.C 7203, Failure to file Employer's Annual Federal Unemployment (FUTA) Tax Return for 2000.
- 26 U.S.C 7201, Evasion of unemployment taxes for 2001.
- 26 U.S.C 7202, Failure to collect withholding taxes for 2000 and 2001.
- 18 U.S.C 371, Conspiracy to Defraud the United States.

**G. Residence of Said Parast
279 Lord Byron Lane Apt 101
Cockeysville, MD 21030**

52. On December 8, 2000, Said Parast and Seema Popal, his wife, signed a lease with Deertree Apartment Complex for 279 Lord Bryon Lane, Apartment 101, Cockeysville, Maryland. He initially resided at apartment T-4, then

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moved into apartment 101, where he presently resides. Total rent payment for 2000 was \$7,205 and \$9,858 for 2001. On Parast's lease application dated September 10, 1999, he listed his occupation as owner of the New York Fried Chicken Inc., 1268 East North Avenue Baltimore, Maryland. To verify his income for Deertree Apartments, Parast submitted a 1998 Federal Income Tax Form 1040 with a W-2 Form from New York Fried Chicken Inc., 1268 E. North Avenue Baltimore, Maryland reporting wages of \$36,215.

53. A search of IRS databases revealed that Said Parast, SSN: 060-76-3318, filed Form 1040, U.S. Individual Income Tax Return, for 1998, 1999, 2000 and 2001. Contrary to the copy of the 1040 shown to Deertree Apartments, Parast claimed total wages of \$7,320, from Bahar Food Corp. and Asiyah Food Corp, on his 1998 tax return. Parast also claimed Schedule C business income from odd jobs of \$2,303. In 1999, Parast reported W-2 wages of \$4,200 from Bahar Food Corporation and Schedule C business income from odd jobs of \$6,807. In 2000, Parast claimed self-employment income of \$12,000 from New York Fried Chicken, 1268 East North Avenue Baltimore, Maryland. Seema Parast, Parast's spouse, reported no income on the above filed returns.

54. On September 7, 2000, Said Parast opened a checking account #0039 3037 4673 at Bank of America. Parast is the sole account holder. An analysis of this account disclosed that from 9/7/00 till 12/31/00, \$9,165 was deposited into the account: all cash except for \$65.00. Total withdrawals for this same

time period were \$9,107.89. In 2001, total deposits were \$61,147.78, of which \$39,400 was in currency. Total withdrawals in 2001 were \$62,972.

55. During the interview on August 12, 2002 Said Parast provided the following information:

- Parast reviewed his 1998, 1999 and 2000 Federal Income tax returns filed with the Internal Revenue Service and identified his signature on each return. (Parast's 2001 tax return was not available for review on the date of his interview.)
- Parast could not state that these returns were correct.
- Parast identified the W-2's attached to his 1998 and 1999 tax returns from Bahar Food Corp and Asiyah Food Corp., as income he earned from a New York Fried Chicken in New York City.
- Parast could not identify the income reported on the Schedule C, filed with his 1998, 1999 and 2000 returns.
- When Parast was questioned about his 1998 Federal Income tax return that he submitted to Deertree Apartments, he initially stated that he asked his accountant to prepare the return. He also said that he did not know who prepared the attached W-2, claiming wages of \$36,215. Later during the same interview, however, Parast amended his statement and claimed that his landlord at 1268 East North Avenue, Allen LNU, prepared the return and the attached W-2 form.
- Parast could not explain the existence of two different 1998 Federal Income tax returns for him.

PM

- Parast claimed that he did not earn \$36,215 in 1998 as claimed on the return submitted to the apartment complex.
- Parast could not explain the discrepancies between the deposits of \$61,147.78 into his bank account for 2001 and the \$12,000 in income reported on his 2001 federal tax return. When questioned as to how he could survive on \$12,000 a year with a family of five, Parast stated that in addition to the \$12,000 he also received a salary of \$300 a week in cash from the store. Parast stated that he takes the money directly from the cash register of the New York Fried Chicken store. Parast also claimed he received additional monies, \$100 to \$120 a day, from assisting other individuals in opening new fried chicken locations. Parast admitted that he did not report this income on his personal tax return.

56. BGE account for 270 Lord Byron Lane Apt 101 is currently in the name of Seema Popal, Parast's wife.

57. Based on the foregoing information, and information contained elsewhere in this affidavit, there is probable cause to believe that the following crimes have been committed and that evidence of these crimes is located at this location:

- 27 U.S.C 7201, Evasion of personal income taxes for 1998, 1999, 2000 and 2001.
- 26 U.S.C 7203, Failure to file Corporate Income Tax Returns for 1999, 2000 and 2001.

- 26 U.S.C 7203, Failure to file Employer's Quarterly Federal Tax Returns for 2nd – 3rd quarters of 1999, all four quarters of 2000 and 1st and 2nd quarters of 2001.
- 26 U.S.C 7201, Evasion of withholding taxes for 3rd and 4th quarters of 2001.
- 26 U.S.C 7203, Failure to file Employer's Annual Federal Unemployment (FUTA) Tax Returns for 1999 and 2000.
- 26 U.S.C 7201, Evasion of unemployment taxes for 2001.
- 26 U.S.C 7202, Failure to collect withholding taxes for 1999, 2000 and 2001.
- 18 U.S.C 371, Conspiracy to Defraud the United States.
- 8 U.S.C 1324, Harboring of Aliens.
- 8 U.S.C 1324(a), Unlawful Employment of Aliens.

H. Kennedy Fried Chicken
433 Merryman Lane
Baltimore, MD 21218

I. Residence
432 East 32nd Street Apt. A
Baltimore, MD 21218

58. On March 27, 2000, Baltimore City Health Department issued permit #09986 for Rashad A. Rashid, Baghlan Corporation, t/a Kennedy Fried Chicken, 433 Merryman Lane Baltimore, Maryland 21218. A new permit, #17051, was issued on March 26, 2001.

59. A search of the State of Maryland Department of Assessments and Taxation's records failed to disclose any Articles of Incorporation for Baghlan Corporation.

60. A search of IRS databases for Baghlan Corporation, EIN 52-2271398 has the following filing history:

- Forms 1120, U.S. Corporate Income Tax Returns - No record for 2000 and 2001.
- Forms 941, Employee Quarterly Tax Returns -- No filings for the 1st – 3rd quarters of 2000. Return filed for 4th quarter of 2000, but zero wages reported. The total wages reported for the 1st through the 3rd quarters of 2001 were identical, \$7,125.00. Wages reported for the 4th quarter of 2001 were \$6,692.34.
- Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return -- Return filed but no wages were reported for 2000. Total wages reported for 2001 were \$28,337.34.

(As stated previously, if four employees worked a full year with an hourly wage of only \$6.00, total wages for the year would be \$59,904.)

61. State of Maryland Comptroller's office certified that they were unable to locate any record of withholding, sales and use tax or corporate returns for Baghlan Corp., EIN: 52-2271398, for the tax years 2000 to the present.
62. Maryland Unemployment Insurance had no account for this location.
63. On October 24, 2000, Aziz Rahimdad, President of Baghlan Corporation, opened Bank of America account # 003928842839 for Baghlan Corporation t/a Kennedy Fried Chicken 432 Merryman Lane, Baltimore, Maryland. An analysis of this account disclosed total deposits into the account for 2000 were \$14,489 and total withdrawals (cash and checks written) were

\$13,165.72. For 2001, total deposits were \$79,512.94 and total withdrawals were \$79,475.77.

It should be noted that monies deposited into the account are nearly equal to monies withdrawn. This would imply that deposits are made only to cover those expenses that require payment by check.

64. On November 11, 1999, Esa Mohammed and Rashad A. Rashid signed a lease for 431-433 Merryman Lane Baltimore, Maryland. The lease was due to expire on November 30, 2002. The annual rent was \$14,400 for the first year, \$16,000 for the second year and \$19,200 for the third year. The address listed for Esa Mohammed was 4 Colony Boulevard, Apt. 438, Wilmington, Delaware and for Rashad Rashid, 2318 E. Monument Street, Baltimore, Maryland. (This is a location of another Kennedy Fried Chicken.)

65. On December 5, 2001 and November 15, 2002, one of the landlords of 431-433 Merryman Lane, was interviewed.

KS
Based upon the action regarding the lease

- He stated that he believed Esa Mohammed and Rashad Rashid are the owners of Kennedy Fried Chicken at Merryman Lane, however other individuals operate and manage the business.
- In October 2002, Rashad Rashid notified him that Aziz Rahimdad owned 20% of the business.
- Recently, he has been dealing primarily with Aziz Rahmidad regarding the lease on the property. The rent for the restaurant is paid predominantly in cash.

- He also rented the apartment adjacent to the restaurant, 432 East 32nd Street Apt. A, to Shah Wali Ghairut. The lease began on January 25, 2001 and was extended through January 31, 2003. He stated that Ghairut was the manager of the restaurant until INS detained Ghairut on December 18, 2001. Since Ghairut's absence, Aziz Rahimdad pays the rent at \$150 per month.
- He is currently in negotiation with Esa Mohammed, Rashad Rashid and Aziz Rahimdad to renew the lease for the business for a term of ten years.

66. On December 18, 2001, INS Agents conducted an investigation at the Kennedy Fried Chicken located at 433 Merryman Lane and the residence at 432 East 32nd Street Apartment A. Between the two locations, six individuals were identified, four at the apartment, and two at the business. Three individuals were identified as Canadian Citizens working illegally in the United States. INS detained all three. They all resided in the apartment, 432 East 32nd Street Apt. A. All three admitted to working at the Kennedy Fried Chicken at 433 Merryman Lane for Rashad Rashid and being paid wages in cash. One had been employed at the restaurant since approximately July 2001 and another since October 2001. The third had been employed since February 2001.

67. BGE account for 432 East 32nd Street Apt. A is currently in the name of Shah Wali Ghairut.

68. On December 19, 2001, Aziz Rahimdad was interviewed. Rahimdad has worked at this location since December 2000. He identified Rashad Rashid

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(his cousin) as the owner and supervisor of the store. Rahimdad also

identified someone named Raza Khan as an employee at this location.

69. In 2000, Rashad Rashid signed a Terms Agreement and Personal Guaranty with Alliant Foodservices, Inc, now known as U.S. Foodservices Inc, for this location. The person of contact was Aziz LNU. Terms of payment were cash on delivery. Total purchases by this location were \$44,537.31, \$54,881.59 and \$35,011.76 for 2000, 2001 and through September 2002.

70. Surveillance disclosed that this business at 433 Merryman Lane was still in operation as of November 14, 2002.

71. Based on the foregoing information, and information contained elsewhere in this affidavit, there is probable cause to believe that the following crimes have been committed and that evidence of these crimes is located at these two locations:

- 26 U.S.C 7203, Failure to file Corporate Income Tax Returns for 2000 and 2001.
- 26 U.S.C 7203, Failure to file Employer's Quarterly Federal Tax Returns for the 4th quarter of 1999 and 1st – 3rd quarters of 2000.
- 26 U.S.C 7201, Evasion of withholding taxes for 4th quarter of 2000 and all quarters of 2001.
- 26 U.S.C 7201, Evasion of unemployment taxes for 2000 and 2001.
- 26 U.S.C 7202, Failure to collect withholding taxes for 2000 and 2001.
- 18 U.S.C 371, Conspiracy to Defraud the United States.
- 8 U.S.C 1324, Harboring of Aliens.

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- 8 U.S.C 1324(a), Unlawful Employment of Aliens.

J. Kennedy Fried Chicken
2318 E. Monument Street
Baltimore, Maryland 21205

K. Residence
2318 E. Monument St 2nd Floor
Baltimore, MD 21205

72. According to Maryland Department of Assessments and Taxation records, on January 28, 1998, Helmand Corporation¹ was formed, doing business at 2318 E. Monument Street, Baltimore, Maryland. The Resident Agent and the initial Director of the Corporation is listed as Rashad Rashid.

73. A search of IRS databases revealed Helmund Corporation, EIN: 52-2079830, has the following filing history:

- Form 1120, Corporate Income Tax Returns – None filed for 1998 through 2001.
- Forms 941, Employer's Quarterly Federal Tax Returns- Records found for the 2nd - 4th quarters of 1998, and for 1st - 4th quarters of 1999, 2000 and 2001. Total wages reported were only \$6,565.00 for all quarters except for the last quarter of 2001, which reported total wages of only \$7,200.00.
- Forms 940, Employer's Annual Federal Unemployment (FUTA) Tax Return – Total wages reported for 1998 were only \$5,655; for 1999 and 2000 they were only \$21,000 in each year. The total reported wages reported for 2001 were \$26,895. The signatures on the returns available for review were not legible. Again, as discussed previously, if this store

¹ This corporate name has also been spelled Helmund or Helmand.

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had a total of four employees paid at only \$6.00 per hour, the total wages for a year would be \$59,904.

74. The State of Maryland Comptroller's Office reported the following filing history:

- Quarterly withholding reports for the years 1999, 2000 and 2001 reported zero withholdings. No report was filed for 1998.
- Sales and use tax returns for March and for June through December 1999 were filed and have been destroyed. Returns for April, May and September 2000 are missing. Returns for March, June, July, August, October, November and December 2000 were filed and the average monthly sales based on those returns was \$8,540.40. To extrapolate, the gross receipts on an annual basis would be an estimated \$102,480.
- No corporate returns were filed.

75. Maryland Unemployment Insurance reported the following filing history:

- Wages were reported for all four quarters of 2001 for three employees. Wages were reported for Malek Yafee of only \$1,755 for the 1st – 3rd quarters and only \$2,880 for the 4th quarter. Wages reported for Rashad Rashid, were only \$3,055 for the 1st – 3rd quarters and only \$2,880 in the 4th quarter. Wages were also reported for Mohammed Shafiky of only \$1,755 for the 1st quarter of 2001. Wages were also reported for Fatima Rashid, Rashad Rashid's spouse, of only \$1,775 for the 2nd and 3rd quarters of 2001 and only \$1,440 for the 4th quarter of 2001. (According to IRS records, the Rashid's reside in Delaware.)

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76. Baltimore City Land Records show that on June 8, 2001, Rashad Rashid, John Schwab and Malek A. Yafee purchased 2318 E. Monument Street, Baltimore, Maryland for consideration of \$85,000. There is no Deed of Trust recorded with Baltimore City Land Records regarding the purchase of this property.
77. On February 4, 1998, Rashad A. Rashid signed a Terms Agreement and Personal Guaranty on behalf of Helmund Corporation for this location with Holly Poultry, Inc. The owner was identified as Rashad Rashid, with a listed address of 4 Colony Blvd Wilmington, DE. In 1998, 1999, 2000 and 2001, this location purchased inventory in the amounts of \$101,703.13, \$132,176.43, \$110,185.45 and \$96,313.72, respectively. From January 2002 through September 2002, \$61,119.73 in inventory was purchased by this location. Payments for all years were in cash.
78. On March 5, 1998 a Confidential Account Application and Agreement was prepared for Helmand Inc. t/a Kennedy Fried Chicken at this location with Alliant Foodservice, now known as US Foodservices, Inc. Rashad Rashid was listed as treasurer and Mohammad Sharfiky as a partner. For 1999, 2000, 2001, and up until September 2002 this location purchased \$52,951.31, \$63,331.71, \$48,991.93 and \$29,576.33, respectively, in supplies from US Foodservices, Inc. Almost all purchases were paid by check. This was due to a request by Alliant.
79. On April 16, 1998, Rashad Rashid, listed as owner, and Malek Yafee, listed as Vice President of Helmand Corporation t/a Kennedy Fried Chicken 2318 E.

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Monument Street, Baltimore, Maryland, EIN: 52-2079830, opened a business checking account with Provident Bank. An analysis of this account disclosed that total deposits and withdrawals for this account were as follows:

<u>Year</u>	<u>Deposits</u>	<u>Withdrawals</u>
1998	\$119,466	\$113,701.76
1999	\$107,019.02	\$110,022.75
2000	\$ 95,157.38	\$ 93,238.51
2001	\$ 88,086.00	\$ 85,708.09

It is evident that when considering only payments to Holly Poultry and US Foodservices, which totaled \$185,127.74, \$175,517.16 and \$145,305.65 for 1999, 2000 and 2001, respectively, all receipts are not accounted for in their bank deposits. Also, this account discloses the same pattern of only depositing that which was needed to issue checks.

80. On August 6, 2002 and September 25, 2002, an interview was conducted with a person who claimed to be familiar with several owners of fried chicken establishments in the Delaware and Baltimore area (hereafter referred to as John Doe #2). John Doe #2 stated that Rashad Rashid has been in the "chicken business" for over 20 years and that he has ownership interest in 2318 E. Monument St Baltimore, Maryland and 4013 Frederick Road Baltimore, Maryland. According to him, in June 2002, Daould Sultan, Esa Mohammed, Najeebullah Zalmy and Rashad Rashid, all owners of a fried chicken establishment in the Baltimore area, met to discuss their potential tax problems with the IRS. John Doe #2 stated they could not agree on how to

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correct their tax situation, since they doubted their ability to operate their stores properly and still survive financially.

81. On August 30, 2002, another person was interviewed who was also familiar with fried chicken restaurants in the Baltimore area (hereafter referred to as John Doe #3). John Doe #3 identified Malek Yafee, Zaid Yafee, Hilal LNU and Esa Mohammed as having an interest in, or working at, 2318 E. Monument Street. According to him, the money from daily sales is kept in a safe at the restaurant. John Doe #3 claimed that Malek Yafee has recently become "tight lipped" about operations at this location due to recent contacts of several of his employees by law enforcement authorities.

82. On July 11, 2002, INS Agents and other law enforcement agencies conducted an investigation at Kennedy Fried Chicken, 2318 E. Monument Street and the 2nd floor apartment. Three individuals present were interviewed, two of the individuals resided in the 2nd floor apartment. All three stated that they worked at this particular restaurant and that Rashad Rashid and Malek Yafee were the owners. One stated that he was paid in cash and earned \$416.00 per week, while another stated that he was also paid in cash and earned \$400 per week. They both stated that there was no withholding from their earnings and that they did not file Federal or State personal income tax returns. Maryland Unemployment Insurance had no record of wages paid to these individuals. It was also stated that the basement served as an office for the store and the agents were taken to the basement, which contained a safe and a filing cabinet with receipts and a green ledger book.

83. On July 18, 2002, another person who is familiar with the operation of this business (hereafter referred to as John Doe #4) stated that Fatima Rashid did not work at the store, even though she is reported on the books as an employee. John Doe #4 also stated that as a result of the law enforcement inquiries on July 11, 2002, Rashad Rashid and Malek Yafee instructed employees at that location that they were to say that it is a family business and they were only assisting temporarily if questioned again. John Doe #4 also stated that the employees were instructed to lie and say that they earn \$250 a week rather than the actual approximate figure of \$400- \$450 and that they work five eight hour shifts, not the ten hour shifts they actually work. According to John Doe #4, a similar meeting occurred in Delaware recently, attended by Malek Yafee, Zaid Yafai, Esa Mohammed, Rashad Rashid and Mohammed Shafiky. It was decided that if anyone was confronted by law enforcement they should provide false information regarding the number of employees and number of hours that a particular store is opened. The main theme of the meeting was to minimize the profits that the IRS could find out about.

84. John Doe #4 was again interviewed on August 13, 2002 and stated that Malek Yafee met with a Maryland Certified Public Accountant on two separate occasions. Discussed at these meetings were the income taxes and profits relative to this location. The first meeting occurred shortly after the July 11, 2002 investigation by law enforcement authorities. John Doe #4 stated that Yafee asked for the CPA's assistance in getting his business records in order.

John Doe #4 stated that Yafee is attempting to minimize his exposure to an

IRS investigation, but that he still does not want to report all of his profits.

85. On October 3, 2002, Unsir Hafeez, an individual more fully discussed in paragraphs 97, 119, 129, 185, 189, 191 and 192, was interviewed and stated that he arrived in Baltimore in the Spring of 2001 and that this was one of several locations where he worked. There was no record with Maryland Unemployment Insurance of Hafeez having earned wages from this store.
86. On October 31, 2002, John Doe #4 was interviewed and stated that daily cash receipts are kept in the safe located in the basement of the restaurant. John Doe #4 stated that Malek Yafee takes his 25% share of profits to his home, 102 South Clinton Street Baltimore, MD and that Rashad Rashid's share of the net profits is 75%. Rashid's share is stored in the safe until retrieved by him, approximately once a month, and is approximately \$20,000 to \$30,000 in currency. John Doe #4 also stated that the "books" for the business are kept in the basement.
87. Surveillance disclosed that this business was still in operation as of November 8, 2002.
88. Based on the foregoing information, and information contained elsewhere in this affidavit, there is probable cause to believe that the following crimes have been committed and that evidence of these crimes is located at these two locations:
- 26 U.S.C 7203, Failure to file Corporate Income Tax Returns for 1998 through 2001.

- 26 U.S.C 7203, Failure to file Employer's Quarterly Federal Tax Return for 1st quarter of 1999.
- 26 U.S.C 7201, Evasion of withholding taxes for 2nd – 4th quarters of 1998, and all four quarters of 1999, 2000 and 2001.
- 26 U.S.C 7201, Evasion of unemployment taxes for 1998, 1999, 2000 and 2001.
- 26 U.S.C 7202, Failure to collect withholding taxes for 1998, 1999, 2000 and 2001.
- 26 U.S.C. 7212, Obstruction with Administration of the Internal Revenue Laws.
- 18 U.S.C 371, Conspiracy to Defraud the United States.

L. New York Fried Chicken
4700 Liberty Heights Avenue
Baltimore, MD 21202

M. Residence
4700 Liberty Hgts Ave 2nd Floor
Baltimore, MD 21202

89. Records of Maryland Department of Assessments and Taxation show that Hilal Abdool Soleh Yafai formed a corporation on May 13, 2000, by the name of Inthifaaq Corporation, located at 4700 Liberty Heights Avenue, Baltimore, MD 21215. The Director is listed as Hilal Abdool Soleh Yafai, with a listed address of 2318 E. Monument Street, Baltimore, MD. (As mentioned previously, a Kennedy Fried Chicken location.)

90. A search of Baltimore City Land Records disclosed that on March 31, 2000, Malek A. Yafee purchased 4700 Liberty Heights Avenue, Baltimore, Maryland from for consideration of \$85,000. A loan amount of \$65,662 was secured from the Bank of America.

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91. A search of IRS databases revealed that Inthifaaq Corporation, EIN: 52-2254340, has the following filing history:

- Form 1120, Corporate Income Tax Returns – Returns not filed for 2000 and 2001.
- Forms 941, Employer's Quarterly Federal Tax Returns – Returns filed for the 4th quarter of 2000 and all four quarters of 2001. Total wages reported for each quarter were the same, only \$6,695.
- Form 940EZ, Employer's Annual Federal Unemployment (FUTA) Tax Return – Returns filed for 2000 and 2001. Total wages reported were \$6,695 and \$26,780 for 2000 and 2001, respectively.

(As discussed previously, wages for only 4 employees at only \$6.00/hr for a full year would be \$59,904.)

92. The State of Maryland Comptroller's Office certified the following filing history for Inthifaaq Corp EIN: 52-2254340:

- Maryland Employer Return of Income Tax Withheld not filed and delinquent notices have been mailed.
- Sales and Use Tax Return forms filed for the period December 2000 through March 2002, on a quarterly basis. Returns for December 2000 and March 2001 were missing. Based on the available returns, the average quarterly sales reported are \$23,771.40. (To extrapolate, the gross receipts on an annual basis would be estimated at \$95,000.) For those returns examined, the only signature legible is that of Habib Najebullah.

Form 500, Corporation Income Tax Return – No returns filed

93. Maryland Unemployment Insurance records reveal that three employees were reported from the 2nd quarter of 2001 through the 2nd quarter of 2002. Total wages never exceeded \$6,696 for any of those quarters, approximately only \$2,200 per employee.
- (Extrapolating the wages reported at the above amounts would show that a total of only \$26,784 in wage expense would be incurred for three employees in a year, annual earnings of only \$8,928 for each employee.)
94. On September 12, 2000, a business checking account was opened at First Union for Inthifaaq, Corp., 4700 Liberty Heights Avenue, Baltimore, Maryland. An analysis of this account disclosed the following total amounts for deposits and withdrawals:

<u>Year</u>	<u>Deposits</u>	<u>Withdrawals</u>
2000	\$11,735.98	\$10,760.62
2001	\$95,889.50	\$95,412.19
2002*	\$60,281.90	\$61,306.08

*Only statements to 9/30/02 were provided for 2002.

As noted previously as to other locations, deposits into this account also were nearly equal to amounts withdrawn. This would imply that the only deposits made were those necessary to cover expenses that require payment by check. Again, deposits into this account were only sporadic.

95. As noted previously in paragraph 82, several employees of the Kennedy Fried Chicken, 2318 E. Monument Street were interviewed on July 11, 2002. One of those interviewed stated that he knew of three people, only two by name, that worked and resided at 4700 Liberty Heights Avenue, Maryland

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Unemployment Insurance had no record of the two named individuals as having earned wages at this location.

96. BGE account for the second floor of 4700 Liberty Heights Avenue is currently in the name of Hilal Yafai.

97. On September 30, 2002, Unsir Hafeez was interviewed at an INS facility in Baltimore, Maryland. Hafeez stated that he had been working at New York Fried Chicken, 4700 Liberty Heights Avenue and earning \$1,000 in cash a month. Maryland Unemployment Insurance had no record of Hafeez earning wages at this location. Hafeez was not lawfully in the U.S. and has been ordered removed.

98. On August 24, 2000, Habib Najebullah, as President of Inthifaaq, Inc., signed a Terms Agreement and Personal Guaranty with Holly Poultry Inc., for this location. In 2000, this business purchased \$51,772 in inventory all with cash. In 2001, \$160,326.92 in inventory was purchased, the majority of the payments were also in cash.

99. On August 21, 2000, Zaid Yafai signed a Terms Agreement and Personal Guaranty with Alliant Foodservice Inc., now known as US Foodservices Inc., on behalf of this location. This business purchased \$21,284.25 in inventory and \$74,413.63 from January 2001 through September 2001. Payments were made in the form of cash, money orders and checks.

100. The manager of Green Acres Garden Apartments advised that on the lease application of Habib Najebullah, he listed his place of employment as New York fried Chicken, 4700 Liberty Heights Baltimore, Maryland. The

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manager stated that based on conversation with Najebullah the manager learned that Najebullah was the owner and operator of several New York Fried Chicken establishments in the Baltimore area and that the workers in these restaurants earn \$500 a week in cash. (Habib Najebullah was not listed as an employee of this location with Maryland Unemployment Insurance.)

101. According to INS records, Habib Najebullah last entered the United States as a B-2 nonimmigrant visitor for pleasure on 1/18/91. This status allows an individual to remain in the United States for a period of time not to exceed six months. There is no record that Najebullah sought to legitimize his status in the United States and has, therefore, resided in the United States illegally since 1991.

102. On November 7, 2002, John Doe #4 stated that Malek Yafee and Hilal Yafai wired approximately \$30,000 through Western Union to Habib Najebullah in Toronto, Canada between 10/29/02 to 11/02/02. John Doe #4 stated that these monies represented a payment for the sale of Najebullah's interest in this location. (It appears that Najebullah may have left the United States due to various law enforcement interviews at New York Fried Chicken and Kennedy Fried Chicken businesses. It is unclear whether this move is permanent or temporary)

103. Surveillance disclosed that the business was still in operation as of November 20, 2002.

104. Based on the foregoing information, and information contained elsewhere in this affidavit, there is probable cause to believe that the following crimes have been committed and that evidence of these crimes is located at these two locations:

- 26 U.S.C 7203, Failure to file Corporate Income Tax Returns for 2000 and 2001.
- 26 U.S.C 7203, Failure to file Employer's Quarterly Federal Tax Returns for 2nd – 3rd quarters of 2000.
- 26 U.S.C 7201, Evasion of withholding taxes for 4th quarter of 2000 and all four quarters of 2001.
- 26 U.S.C 7201, Evasion of unemployment taxes for 2000 and 2001.
- 26 U.S.C 7202, Failure to collect withholding taxes for 2000 and 2001.
- 18 U.S.C 371, Conspiracy to Defraud the United States.
- 8 U.S.C. 1324(a), Unlawful Employment of Aliens

**N. Residence of Malek Yafee and Zaid Yafai
102 South Clinton Street
Baltimore, Maryland 21224**

105. Maryland Motor Vehicle Administration lists Zaid Yafai's current address as 102 South Clinton Street, Baltimore, Maryland 21224.

106. A search of IRS databases revealed that Zaid Yafai, SSN: 097-78-7580, filed Form 1040EZ, U.S. Individual Income Tax Return, for 2001. Yafai reported wages of \$10,712 from Inthifaaq Corporation, 4700 Liberty Heights Avenue Baltimore Maryland 21207. The address on the return is 102 S. Clinton Street, Baltimore, MD 21224.

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107. BGE records indicate that the account for 102 S. Clinton Street is currently in the name of Zaid Yafai. The account was opened on May 12, 1998.

108. Maryland Department of Motor Vehicles also lists Malek Abdoul Saleh Yafee's current address as 102 S. Clinton Street, Baltimore, Maryland. (It is noted that Yafee also lists 2318 E. Monument Street as a mailing address with Bank of America and IRS.)

109. A search of IRS databases revealed that Malek Yafee, SSN: 080-84-5693, filed Individual Income Tax Returns for 1998, 1999, 2000 and 2001. Yafee reported wages from Helmand Corporation, t/a Kennedy Fried Chicken, 2318 E. Monument Street, Baltimore, MD for all four years. Wages reported were \$1,755, \$7,020, \$7,020 and \$8,145 for 1998 through 2001, respectively.

110. According to Baltimore City land records, Malek A. Yafee purchased 4700 Liberty Heights Avenue Baltimore, Maryland on March 31, 2000. Based on the purchase price and the loan, Yafee would have had to pay at least \$19,000 at settlement.

111. On October 31, 2002, John Doe #4 stated Malek Yafee takes his 25% share of the net profits in cash and stores it at his house, 102 S. Clinton Street, Baltimore, MD.

112. Based on the foregoing information, and information contained elsewhere in this affidavit, there is probable cause to believe that the following crimes have been committed and that evidence of these crimes is located at this location:

- 26 U.S.C 7203, Failure to file Individual Income Tax Return, for Zaid Yafee for 2000.
- 26 U.S.C. 7201, Evasion of personal income taxes for Zaid Yafai for 2001 and for Malek Yafee for 1998, 1999, 2000 and 2001.
- 26 U.S.C 7203, Failure to file Corporate Income Tax Returns for 1998 through 2001.
- 26 U.S.C 7203, Failure to file Employer's Quarterly Federal Tax Return for 1st quarter of 1999.
- 26 U.S.C 7201, Evasion of withholding taxes for 2nd – 4th quarters of 1998, and all four quarters of 1999, 2000 and 2001.
- 26 U.S.C 7201, Evasion of unemployment taxes for 1998, 1999, 2000 and 2001.
- 26 U.S.C 7202, Failure to collect withholding taxes for 1998, 1999, 2000 and 2001.
- 18 U.S.C 371, Conspiracy to Defraud the United States.

**O. New York Fried Chicken
5145 Park Heights Avenue
Baltimore, Maryland 21215**

113. The records of the Maryland Department of Assessments and Taxation show that a corporation was formed on November 24, 1998, by the name of Yaran, Inc. doing business at 5145 Park Heights Avenue Baltimore, MD. 21215,

114. A search of IRS databases revealed that Yaran Corporation, EIN 52-2166580, had the following filing history:

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- Form 1120, Corporate Income Tax Returns – Returns not filed for 1998, 1999, 2000 and 2001.
- Forms 941, Employer's Quarterly Federal Tax Returns – Returns filed the 2nd, 3rd, and 4th quarters of 1999 with wages reported for each quarter of zero. For each quarter of 2000 and 2001, only \$5,720 was reported.
- Form 940-EZ, Employer's Annual Federal Unemployment (FUTA) Tax Returns – Returns were filed for the years 2000 and 2001. Total wages of only \$22,015 and \$22,880 were reported for 2000 and 2001, respectively. [Again, as disclosed previously, if this store had a minimum of four employees paid at only \$6.00 per hour, the total wages for a year would be at least \$59,904.]

115. The State of Maryland Comptroller's Office certified for Yaran Inc. EIN: 52-2166580 the following filings:

- Withholding reports showing "zero" were filed for June 1999 through June 2001 on a quarterly basis.
- Sales and use tax returns were telefiled for July 1999, October 1999 and January 2000 also reflecting "zero". Returns for April 2000 and January 2001 were filed but are missing. Returns for July, October 2000 and April, July, October 2001 and January 2002 were available for review. The average quarterly sales based on those six sales and use reports was \$19,905. To extrapolate, the gross receipts on an annual basis would be equivalent to an estimated \$79,620.
- Form 500, Corporation Income Tax Return – none filed.

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116. Maryland Unemployment Insurance reported that in the 1st and 2nd quarters of 2000, Belal Rahimdad, Abdul Karimi and Mukhtar Ahmadi were employees of this New York Fried Chicken. In the 3rd and 4th quarters of 2000 and the first two quarters of 2001, Aziz Rahimdad, Belal Rahimdad and Abdul Karimi were reportedly employed; for the remaining quarters of 2001, Belal Rahimdad, Khalil Rahimdad and Aziz Rahimdad were reportedly employed. Total wages allegedly earned for each reporting period were only \$5,720 per quarter.

Based on the above reported quarterly wages of \$5,720 for three employees, that would imply that each employee received only \$1,907 in wages each quarter or \$158 per week. ($\$5,720/3 = \1907 ; $\$1907/12 \text{ weeks} = \158)

117. According to the US Business Directory, Shah Ahmad was the owner of New York Fried Chicken 5145 Park Heights Avenue Baltimore, Maryland as of October 31, 2001. The business was said to employ four individuals, not three as reported to Maryland Unemployment Insurance.

118. On October 14, 1999, Harbor Bank opened account #1100028730 for Yaran Inc. t/a New York Fried Chicken, 5145 Park Heights Avenue, Baltimore, MD. An analysis of this account disclosed the following:

<u>YEAR</u>	<u>DEPOSITS</u>	<u>WITHDRAWALS</u>
1999	\$23,610	\$22,796.84
2000	\$68,580.44	\$69,254.11
2001	\$110,363.42	\$110,382.45
2002*	\$58,536.05	\$58,625.87

*Included information from January through September 2002

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Again, deposits into this account were sporadic. Over 98% of the deposits were cash. Again, monies deposited nearly equals monies withdrawn, clearly implying that only the necessary cash is deposited to cover expenses paid by check.

119. As stated previously, Unsir Hafeez was detained by INS agents on September 10, 2002 and subsequently ordered removed from the United States. During an interview with Hafeez on September 10, 2002, he stated that at some point in time he was employed at New York Fried Chicken, 5145 Park Heights Avenue, Baltimore, Maryland. (As previously noted, he also stated that at some point in time he was employed at New York Fried Chicken 4700 Liberty Heights Avenue.) He also stated that Shah Mohammad paid him \$1,000 a month in cash and that he did not pay income taxes on his earnings. (Hafeez was not listed as an employee of this location with Maryland Unemployment Insurance.)

120. On September 20, 1999, Mukhtar Ahmadi signed a Terms Agreement and Personal Guaranty with Alliant Foodservice Inc, now known as US Foodservice Inc., on behalf of this business. Records show that in 1999, 2000, 2001 and January through September 2002, this business purchased inventory in the amount of \$28,392.99, \$81,028.90, \$59,944.65 and \$28,955, respectively. Payments were made in the form of cash, money order or check.

121. On September 25, 2002, Baltimore City Police executed a search warrant at 7125 Rolling Bend Road, Apt F, Baltimore, MD where a journal was found

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that appeared to record sales, expenses and payroll. This journal was seized and was identified by one of the apartment occupants as originating from the New York Fried Chicken, located at 5145 Park Heights Avenue. He claimed not to know the author or time period the journal covered, but the total recorded weekly receipts for thirty-eight weeks was \$443,475.

122. On October 16, 2002, John Doe #1 was interviewed and identified Gul Mohammed Rahim Wardak, a.k.a. Gul, as 25% owner of this location.

based upon personal knowledge.

He/she also stated that Gul has been residing and working in the Baltimore area since 1997, is not a United States Citizen and does not possess a work permit. John Doe #1 also identified the other alleged owners of this location as Mukhtar Ahmadi, Shah Mohammed and Ghamy LNU.

123. Surveillance disclosed that this business was still in operation as of November 21, 2002.

124. Based on the foregoing information, and information contained elsewhere in this affidavit, there is probable cause to believe that the following crimes have been committed and that evidence of these crimes is located at this location:

- 26 U.S.C 7203, Failure to file Corporate Income Tax Returns for 1998, 1999, 2000 and 2001.
- 26 U.S.C 7203, Failure to file Employer's Quarterly Federal Tax Returns for 4th quarter of 1998 and 1st quarter of 1999.
- 26 U.S.C 7201, Evasion of withholding taxes for 2nd- 4th quarters of 1999 and all four quarters of 200 and 2001.

- 26 U.S.C 7203, Failure to file Employer's Annual Federal Unemployment (FUTA) Tax Returns for 1998 and 1999.
- 26 U.S.C 7201, Evasion of unemployment taxes for 2000 and 2001.
- 26 U.S.C 7202, Failure to collect withholding taxes for 1998, 1999, 2000 and 2001.
- 18 U.S.C 371, Conspiracy to Defraud the United States.
- 8 U.S.C 1324(a), Unlawful Employment of Aliens.

**P. New York Fried Chicken
412 E. Baltimore Street
Baltimore, Maryland 21202**

125. The records of Maryland Department of Assessments and Taxation show that a corporation was formed on May 16, 2000, by the name of Yaaro, Inc doing business at 412 E. Baltimore Street, Baltimore, MD 21202. The corporation was formed by Mukhtar Ahmedi², whose address is 12625 Dunks Ferry Road, Philadelphia, PA. 19154.

126. A search of IRS databases revealed that Yaaro Corporation, EIN 52-2254339, had the following filing history:

- Form 1120, Corporate Income Tax Returns – No returns filed.
- Forms 941, Employer's Quarterly Federal Tax Returns – Returns filed for the 3rd and 4th quarters of 2000 and for all quarters of 2001. No wages were reported for the 3rd quarter of 2000. Wages reported for the 4th quarter of 2000 and for the 1st – 4th quarters 2001, were the same, only

² This individuals last name has also been spelled Ahmadi.

\$5,356. Ashuqullah Ahmadi signed the 941 return for the 4th quarter of 2001.

- Form 940, Employer's Annual Federal Unemployment Tax Return – Returns were filed for 2000 and 2001. Total wages were \$5,356 and \$21,424, respectively. The 2001, 940-EZ Return was signed by Ashuqullah Ahmadi, as officer for Yaaro, Inc. (Again, as discussed previously, if this store had a total of four employees paid at only \$6.00 per hour, the total wages for a year would be \$59,904.)

127. The State of Maryland Comptroller's Office certified the following filing history for Yaaro Inc. EIN: 52-2254339

- Withholding reports showing "zero" were filed for the 3rd and 4th quarters of 2000 and 1st and 2nd quarters of 2001.
- Sales and use tax returns were filed for November 2001 through May 2002, however the returns were not available for review.
- No corporate returns were filed.

128. Maryland Unemployment Insurance advised that two individuals, Ashuqullah S. Ahmadi and Mukhtar Ahmadi, were identified as employees for the 4th quarter of 2000 and for 1st – 4th quarters of 2001. Wages reported for each employee were \$2,678 for each quarter reported. As previously mentioned in this affidavit, Mukhtar Ahmadi resides in Philadelphia, Pennsylvania.

At wages of \$2,678 per employee a quarter, this would imply that each employee earned \$223 a week or \$10,712 a year, even accepting the unlikely

premise that only two employees could effectively operate a business such as this.

129. During the September 30, 2002 interview of Unsir Hafeez he stated that at some point in time he also worked at this location. However, Maryland Unemployment Insurance had no record of him earning wages at this location.
130. On October 18, 2000, Mukhtar Ahmadi, as President, and Sardar Mohammad, as secretary, of Yaaro, Inc., 412 E. Baltimore Street, Baltimore, Maryland 21202 opened a checking account, #003929436778, at Bank of America. An analysis of this account revealed that in 2000, deposits totaled \$9,004 and withdrawals were \$7,256.95 and in 2001, deposits totaled \$96,310.58 and withdrawals totaled \$97,819.25. As previously noted, a recurring pattern exists of deposits nearly equaling withdrawals. Deposits into the account were infrequent and sporadic until September 2001. In May 2001, only one deposit of \$52.85 was made and in June there were no deposits into the account. After September 2001, deposits increased to 13 or 14 times a month.
131. Sardar W. Mohammed signed a Terms Agreement and Personal Guaranty for this business, with Holly Poultry, Inc. Holly Poultry records indicated there were no sales in 2001. However, from January through September 2002, this business purchased \$45,622.21 in inventory.
132. On August 14, 2000, Mohammad Wali signed a Terms Agreement and Personal Guaranty with Alliant Foodservices, now known as US Food

Services Inc., for this location. This business purchased inventory in the amount of \$14,971.79 and \$49,599.12 in 2000 and 2001, respectively. From January 2002 through September 2002, this business purchased \$15,942.45 in inventory.

133. On October 4, 2001, an employee of Rappaport Management Company was interviewed. This employee was contacted by Ashuqullah Ahmadi on two separate occasions in May and June 2001, concerning a commercial property in Randallstown, MD. Ahmadi advised that he was part owner of a franchise called New York Fried Chicken and that he had ownership interest in New York Fried Chicken 412 E. Baltimore Street, Baltimore, Maryland.
134. On October 21, 2001, a person with personal knowledge of this business (hereafter referred to as John Doe #5) stated that a family from Afghanistan took over the New York Fried Chicken location at 412 E. Baltimore Street on or about January 3, 2000. John Doe #5 also stated that an individual by the name of Mukhtar and possible last name of Ahmadi seemed to make the business decisions relative to this location. John Doe #5 also stated that the rent was paid in cash.
135. Surveillance disclosed that this business was still in operation as of November 19, 2002.
136. Based on the foregoing information, and information contained elsewhere in this affidavit, there is probable cause to believe that the following crimes have been committed and that evidence of these crimes is located at this location:

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- 26 U.S.C 7203, Failure to file Corporate Income Tax Returns for 2000 and 2001.
- 26 U.S.C 7201, Evasion of withholding taxes for 3rd and 4th quarters of 2000 and for all quarters of 2001.
- 26 U.S.C 7201, Evasion of unemployment taxes for 2000 and 2001.
- 26 U.S.C 7202, Failure to collect withholding taxes for 2000 and 2001.
- 18 U.S.C 371, Conspiracy to Defraud the United States.
- 8 U.S.C. 1324(a), Unlawful Employment of Aliens.

**Q. Residence of Ashuqullah Ahmadi
8 Lenis Court
Baltimore, Maryland 21244**

137. Ashuqullah Sayed Ahmadi resides at 8 Lenis Ct. Baltimore, Maryland. On 6/21/01, BGE began service at the above address and is currently in the name of Ashuqullah Ahmadi. Current Verizon subscriber information for the telephone number at 8 Lenis Court Baltimore, Maryland is listed to Ashuqullah Ahmadi.

138. In filings with the Maryland Department of Assessments and Taxation on March 13, 2002 and July 5, 2002, Ashuqullah Ahmadi provided 8 Lenis Court as the address to which documents for three Limited Liability Corporations were to be mailed.

139. A search of IRS databases revealed that Ashuqullah Ahmadi, SSN: 462-61-3130, filed Form 1040, U.S. Individual Income Tax Returns, for 2000 and 2001. On his 2000 return, Ahmadi reported Schedule C income of \$16,575

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02-3709 PWIG

as a taxi driver and W-2 wages from Yaaro, Inc 412 E. Baltimore Street, Baltimore, MD of \$2,678. On his 2001 return, Ahmadi filed a Schedule C showing profits of \$17,500 earned as a fast food restaurant manager. He also reported W-2 wages of \$10,712. The W-2 was not attached to the return. The 2000 and 2001 returns listed an address for Ahmadi of 8 Lenis Court, Baltimore, Maryland 21244.

140. On October 4, 2002, Aziz Lazrak was interviewed at his place of employment, New York fried Chicken, 1215 W. North Avenue, Baltimore, Maryland. Larzak stated that he was the acting manager for this location and that Ashuqullah Sayed Ahmadi owned this location. The store opened approximately two weeks prior to his interview.

141. On October 16, 2002, John Doe #1 was interviewed and identified Ashuqullah Ahmadi as 75% owner of New York Fried Chicken 1215 W. North Avenue. Ahamdi's partner was Ahmad Khattab, who recently returned to Canada. John Doe #1 stated that Khattab is allegedly trying to get his \$35,000 investment in this business back from Ashuqullah Ahmadi.

142. On September 25, 2002, Baltimore City Police Department executed a warrant at 7125 Rolling Bend Road Apt. F Baltimore, Maryland. Found at the location were cash receipts wrapped with register tape from New York Fried Chicken, 412 E. Baltimore Street. Ahmed Shah Khattab, a.k.a. Ahmedshah Malgarai, stated that the money was actually from Ashuqullah Ahmadi's new store, New York Fried Chicken 1215 W. North Avenue. Ashuqullah Ahmadi

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had not been in the store in several days and he was holding the cash for him.

143. Subsequent to execution of the warrants on September 25, 2002, investigators interviewed Ahmedshah Khattab. (Within days of this interview Khattab fled to Canada.) Khattab stated that he worked at the New York Fried Chicken, 1215 W. North Avenue and claimed that Ashuqullah Ahmadi fully owned this store. He stated that he was responsible for making deposits of the nightly receipts into the business account at Bank of America. He said that Ashuqullah Ahmadi visited the store at 6:00 p.m. each day to pick up the cash from the daily sales.

144. Based on the foregoing information, and information contained elsewhere in this affidavit, there is probable cause to believe that the following crimes have been committed and that evidence of these crimes is located at this location:

- 26 U.S.C 7201, Evasion of personal income taxes for 2000 and 2001.
- 26 U.S.C 7203, Failure to file Corporate Income Tax Returns for 2000 and 2001.
- 26 U.S.C 7201, Evasion of withholding taxes for 3rd and 4th quarters of 2000 and for all quarters of 2001.
- 26 U.S.C 7201, Evasion of unemployment taxes for 2000 and 2001.
- 26 U.S.C 7202, Failure to collect withholding taxes for 2000 and 2001.
- 18 U.S.C 371, Conspiracy to Defraud the United States.

FWG *here*
R. Kennedy Fried Chicken
3317 Garrison Boulevard
Baltimore, Maryland 21216

02-3709 FWG
S. Residence
3401 Garrison Blvd Apt. A5
Baltimore, MD 21216

145. According to Maryland Department of Assessments and Taxation, on August 23, 2000, Najeebullah Zalmy formed a corporation, by the name of Pashmul Corporation located at 3317 Garrison Boulevard, Baltimore, MD.

146. A review of IRS databases revealed that this business has the following filing history:

- Forms 1120, U.S. Corporation Income Tax Return – Records were filed for 2000 and 2001. Najeebullah Zalmy signed both the returns as President of Pashmul Corp. The 2000 return reported gross receipts of \$27,174 and taxable income of -\$3,776. For 2001, the reported gross receipts were \$106,981 and taxable income was -\$27,839.
- Forms 941, Employer's Quarterly Federal Tax Returns – A return was filed but no wages were reported for the 4th quarter of 2000. Wages of only \$6,500 were reported for the 1st through 3rd quarters of 2001 and wages of only \$6,923.10 for the 4th quarter of 2001.
- Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return – Total reported wages were \$0 and \$26,423.10, for 2000 and 2001, respectively. As discussed previously, if this store had a minimum of only four employees earning only \$6.00 per hour, total wages for this store would be \$59,904 a year.

147. The State of Maryland Comptroller's Office certified the following filing history:

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- No record was found for withholding or sales and use tax for 2000 through 2002.
- Form 500, Corporation Income Tax Return – Returns were filed for 2000 and 2001. The Corporate Federal Returns filed with IRS were used as the basis for preparing the State returns.

148. On March 29, 2000, Najeebullah Zalmy signed a lease for 3317 Garrison Boulevard, Baltimore, Maryland for a term of five years. Rent is \$9,000 for the first year then \$12,000 annually thereafter.

149. On October 23, 2000, Bank of America account #0039288225144, was opened by Najeebullah Zalmy, as President of Pashmul Corporation. The account was closed on June 29, 2001. An analysis of this account disclosed, deposits for 2000 totaled \$26,073 and withdrawals totaled \$23,296.52. Deposits from January 2001 until the account was closed totaled \$27,238 and withdrawals were \$30,015.48. Again, the pattern of deposits nearly matching withdrawals is evident here.

150. On May 15, 2001, First Union account, # 2000007060520 was opened for Pashmul Corp., 3317 Garrison Boulevard Baltimore, MD. An analysis of this account disclosed that total deposits and withdrawals were \$43,741.50 and \$41,155.52 for 2001 and \$67,858.05 and \$66,489.73 up till 9/30/02. Once again, deposits nearly match withdrawals.

It should be noted that reported gross receipts on the 2001 Federal Corporate Returns, as stated above, does not in any way correlate to deposits made into

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these two business account for 2001. Furthermore, deposits into these two

above accounts are sporadic and infrequent for a cash business.

151. In August 2000, Najeebullah Zalmy, as manager, completed a Combined Registration Application with the State of Maryland Comptroller for Maryland Unemployment Insurance on behalf of Pashmul Corporation, t/a Kennedy Fried Chicken, 3317 Garrison Boulevard, Baltimore, Maryland. Per the application, the first date of sales was 8/23/00. However, it was not until the 3rd and 4th quarters of 2001, that wages were reported for Najeebullah Zalmy and Daoud Sultan. Wages were also reported for Nasef Sobhi for the 4th quarter of 2001. Per IRS records, the social security number listed for a third individual reported in the 3rd quarter of 2001 is not assigned to that person but to an individual residing in Sacramento, California. Total reported wages were only \$6,500 and \$6,923 for the 3rd and 4th quarters of 2001, respectively. No report was recorded for the 1st quarter of 2002. As for the 2nd quarter of 2002, total wages of only \$8,077 were reported for three employees, Zalmy, Sultan and Sobhi.

152. On August 14, 2000, Najeebullah Zalmy signed a Terms Agreement on behalf of this business with Holly Poultry, Inc. In 2000, this business purchased \$101,375.54 in inventory and from January 2001 through September 2001, it purchased \$54,232.78. In 2000, all purchases were paid with cash except, three payments made by check. Again, in 2001 all purchases were paid with currency and only one payment was paid with a check.

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153. On August 7, 2000, Najeebullah Zalmy signed a Terms Agreement and

Personal Guaranty with Alliant Foodservices, now known as US Foodservices Inc. on behalf on this location. This business purchased inventory totaling \$9,945.76 in 2000; \$29,452.16 in 2001 and \$24,539.19 from January through September 2002. Almost all payments were made in the form of checks at the request of Alliant.

154. On August 13, 2002, Najeebullah Zalmy was interviewed. Zalmy provided the following information:

- Zalmy resides at Colony North Apartments, 4 Colony Boulevard, Apt 448, Wilmington, Delaware. (The investigation has not revealed his current address.)
- Zalmy owns 75% of the Kennedy Fried Chicken located at 3317 Garrison Boulevard and Daoud Sultan owns 25%. The cost to refurbish this space was approximately \$40,000. Zalmy invested \$30,000 and Sultan at least \$10,000. Zalmy claimed his initial investment was from money he had saved from working at different New York Fried Chicken establishments from 1989 to 2000. Zalmy stated that this location was his first business ownership in the United States.
- Both Zalmy and Sultan work at the Garrison location. He claimed to have only one additional employee, Saif Nasef, who was paid at the minimum wage rate by check. However, Zalmy also stated that Nasef also received wages in cash if he worked over a set amount of hours in a week.

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02-3709 PWG

- Zalmy and Sultan are also paid by check. However, he admitted that they also take cash out of the business and there is no proper accounting for this in his records. Zalmy claimed to spend most of his time working at this particular store.
- Rent for 3317 Garrison Boulevard is \$1,000 per month.
- Zalmy claimed monthly net profits for this location are approximately \$4,000. He takes 75% of the profits and Sultan receives 25%.
- Zalmy stated that the store maintains payroll receipts, bank checks and monthly figures for expenses. Most suppliers are paid with cash. He also stated that he does not maintain any cash register tapes. Zalmy admitted to not keeping up with the business records. To Zalmy's knowledge, he stated that all Afghan owned fried chicken establishments operate in a similar fashion.
- Zalmy is also partners with Rashad Rashid in Kennedy Fried Chicken, 4013 Frederick Avenue, Baltimore, Maryland. He claims they are equal owners. Zalmy and Rashid purchased the property location for \$80,000. They each invested \$15,000. Rashid's investment consisted of cash and checks from Rashid's personal bank account. The balance of \$50,000 was financed.
- Zalmy, Daoud Sultan and Rashad Rashid, who all lived in the same Colony North apartment complex in Delaware, met and agreed that they all needed to "fix" their tax problem, but that his businesses could not survive if he paid all his bills and employees by checks.

- The store hours are 10 a.m. till 10 p.m. weeknights and till 11 p.m. or 12 a.m. on weekends.

155. On July 22, 2002, Daoud Sultan was interviewed and he provided the following information:

- Sultan stated that he was 25% owner of the Kennedy Fried Chicken Restaurant located at 3317 Garrison Boulevard with Najeebullah Zalmy. He claimed his share of the net profits is \$1,000 to \$1,200 a month. He received his share of the profits in cash.
- Sultan stated that his accountant prepares his tax returns using bank statements only. He does not provide his accountant with any register receipts or expense documents.

156. On October 3, 2002, Saif Nasef was interviewed and provided the following information:

- Nasef was recruited to work at this Kennedy Fried Chicken Restaurant by Najeebullah Zalmy. Nasef claimed that Zalmy was recruiting individuals with illegal immigration status in Delaware to work at 3317 Garrison Boulevard. He claimed Zalmy preferred individuals with illegal immigration status because he could pay them in cash.
- Nasef is a United States citizen. He was naturalized in 2001.
- Nasef initially worked for Zalmy for two weeks in the fall of 2000. He resided at 3401 Garrison Boulevard Apartment A5, which was leased by Najeebullah Zalmy. Zalmy also pays the utilities and phone for the apartment. Due to disagreements with fellow employees and roommates,

he left after two weeks, however Zalmy kept in contact with him after he left. Nasef returned to work for Zalmy in October 2001 until August 2002.

- Due to his citizenship, Nasef stated that he required his wages be paid by check. If however, he worked over an established amount of hours, he was paid in cash for those extra hours. Zalmy instructed Nasef to work the counter in the restaurant because of his legal immigration status.
- Nasef knew of four other employees who worked at the Garrison Boulevard location. The other employees either held six-month work visas or they had illegal immigration status. He claimed all the other employees were paid in cash at \$7.00 to \$7.50 per hour or approximately \$500 per week and worked 60 to 70 hours a week. The employees resided in apartment A5 at 3401 Garrison Boulevard.
- Nasef stated that when he confronted Zalmy in August 2002 about the hiring of illegal immigrants, Zalmy told Nasef to mind his own business, threatened him and then fired him. However, Nasef was allowed to stay in the apartment until he could find a new residence. As of the date of this interview, October 3, 2002, Nasef was still residing at 3401 Garrison Blvd. Apt. A5 along with other employees of the store.
- Nasef stated that at the end of each shift, the cash register tape was wrapped around the cash receipts and stored in a paper bag along with receipts from suppliers. The amount and date was noted on the bag. The money was kept under the cash register until picked up by Zalmy, which was every two or three days.

- Nasef stated that Zalmy maintained a black ledger size portfolio, which he kept in a black shoulder bag. Zalmy used the portfolio to record daily cash receipts and expenses. Once the expense receipts were recorded in the notebook, the receipts were discarded. Nasef claimed that if Zalmy was in a hurry he would take the receipts with him to record at a later time. The portfolio also contained the store's checkbook.

- Nasef claimed that Zalmy avoided banks and kept his money at his residence. He also claimed that the cash deposited was for expenses paid by check.
- Nasef claimed that Zalmy maintained the same record keeping system for his other Kennedy Fried Chicken store at 4013 Frederick Avenue. This location opened in April 2002.
- Nasef stated that Zalmy alternated his work between the Garrison Blvd or Frederick Avenue location depending on which location was short of workers.
- Nasef claimed the restaurant hours are 10 a.m. till 3 a.m. and on weekends till 4 a.m. (Longer hours than stated by Zalmy in his interview).
- Average sales per day during the week are \$2,000 and more on the weekend. (This would imply that the store grosses over \$730,000 a year.)

157. BGE account for 3401 Garrison Boulevard Apartment A5 is currently in the name of Najeebullah Zalmy.

158. Verizon subscriber for 3401 Garrison Boulevard Apartment A5 is currently in the name of Najeebullah Zalmy.

159. Surveillance disclosed that the business at 3317 Garrison Blvd was still in operation as of November 12, 2002.

160. Based on the foregoing information, and information contained elsewhere in this affidavit, there is probable cause to believe that the following crimes have been committed and that evidence of these crimes is located at these two locations:

- 26 U.S.C. 7201, Evasion of Corporate Income Taxes for 2000 and 2001.
- 26 U.S.C 7203, Failure to file Employer's Quarterly Federal Tax Return for 3rd quarter of 2000.
- 26 U.S.C 7201, Evasion of withholding taxes for 4th quarter of 2000 and 1st - 4th quarters of 2001.
- 26 U.S.C 7201, Evasion of unemployment taxes for 2000 and 2001.
- 26 U.S.C 7202, Failure to collect withholding taxes for 2000 and 2001.
- 18 U.S.C 371, Conspiracy to Defraud the United States.
- 8 U.S.C 1324, Harboring of Aliens.
- 8 U.S.C 1324(a), Unlawful Employment of Aliens.

T. New York Fried Chicken
3403 Belair Road
Baltimore, Maryland 21213

U. Residence
3217 Kentucky Avenue
Baltimore, MD 21213

161. On December 13, 2000, Baltimore City Health Department issued permit #15803 to Kandahar Restaurant Corporation, t/a New York Fried Chicken, 3403 Belair Road Baltimore, Maryland 21206. Esa Mohammed was listed as the President of Kandahar Restaurant Corp.

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162. A search of Maryland Department of Assessment and Taxation failed to locate any filings for Kandahar Restaurant Corporation.
163. A search of IRS databases revealed that Kandahar Restaurant Corporation never applied for an EIN, thus there is no filing history.
164. Maryland Unemployment Insurance had no record for this location.
165. On December 27, 2000, Bank of America opened account # 0039-2843-2100 for New York Fried Chicken, 3403 Belair Road, Baltimore, Maryland 21213. The Employer Identification Number (EIN) listed for this account was 22-2826621. An analysis of this account disclosed the familiar pattern with deposits for 2001 totaling \$25,397.30 and withdrawals totaling \$25,017.25.
166. A search of IRS databases disclosed that EIN: 22-2826621 is associated with Kid Gloves, Inc. Livingston, New Jersey.
167. On May 8, 2000, Esa Mohammed, t/a Kennedy Fried Chicken signed a lease for 3403 Belair Road, Baltimore, Maryland 21213. The lease was for a term of five years. The monthly rent for the first two years was \$625 and increased for the third through fifth year to \$650 a month.
168. On December 4, 2000, Salman Khushal signed a Terms Agreement and Personal Guaranty with Alliant Foodservices, now known as US Foodservices Inc. for this location. This business purchased inventory totaling \$348.98, \$10,423.47 and \$4,603.89 for 2000, 2001 and through September 2002, respectively.
169. On June 17, 2002, Esa Mohammed was interviewed at his residence in Delaware. He provided the following information:

- He stated that he is not a citizen of the United States, but is currently working with an Immigration Attorney to resolve that issue.
- Mohammed started working in the fried chicken business in New York City in the 1980's and subsequently opened restaurants in New Jersey and then in Delaware before expanding his business interests into Baltimore, Maryland.
- Mohammed claimed only verbal agreements exist among the owners of the restaurants he is involved in and those that he is aware of in speaking with other New York and Kennedy Fried Chicken owners. No paperwork exists to identify each owner or their share in the business.
- Mohammed stated that he has a partnership interest in the New York Fried Chicken located at 3403 Belair Road. He stated his "partner" was an individual named Farhad. Mohammed did not know if Farhad was his first or last name, but he knew he was from Canada.
- Mohammed identified this location as the only restaurant he had ownership in that he did not incorporate, but he claimed he was in the process of doing so.
- Mohammed also admitted that he is aware of his obligation to file corporate income tax returns for his restaurant and that he has failed to do so. Mohammed also stated that he is trying to correct his tax situation. However, he also claimed that if he were to correct it 100% he would not be able to survive in this business.

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- Mohammed estimated that his restaurants make an average monthly profit of \$4,000.
- Mohammed admitted paying expenses in cash and claimed not to maintain any expense or cash register receipts.
- Mohammed claimed that after he has saved \$25,000 to \$30,000 in cash, he searches for a new location to open a restaurant.
- Mohammed stated that the cost to open a new location is \$30,000 to \$110,000 depending on the condition of the space and the equipment.

170. On March 23, 2002, John Doe #1 was interviewed and stated that a ^{Based upon Personal Knowledge} Farhad (LNU), an employee or owner of the New York Fried Chicken on Belair Road, was arranging for prospective employees to be smuggled across the Canadian border into the USA to work at his chicken stores. John Doe #1 further stated, that Farhad (LNU) is illegally in the United States from Canada and has no work authorization and that he travels to and from Canada to help arrange other illegal immigrants' safe passage to the US.

171. On May 21, 2002, INS and other law enforcement agents conducted an investigation at New York Fried Chicken, 3403 Belair Road and a residence at 3217 Kentucky Avenue, Baltimore, Maryland. Three individuals were identified as illegal aliens who worked at this restaurant and were placed in deportation status. All three individuals resided at 3217 Kentucky Avenue, Baltimore, Maryland, a few blocks from the store. They claimed Esa Mohammed was the leaseholder of the apartment and paid the rent.

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Handwritten signature

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Handwritten initials

172. BGE account for 3217 Kentucky Avenue is currently in the name of Esa Mohammed.

173. On May 28, 2002, Niaz Ali Khan was interviewed as a result of the INS investigation on May 21, 2002. Khan worked at the New York Fried Chicken 3403 Belair Road, Baltimore, Maryland. He stated that all employee wages were paid in cash. He identified Esa Mohammed as the owner of the restaurant and that he would come to the store on a weekly basis to retrieve the cash receipts. He said that an individual by the name of Farhad LNU, or Waheed Abdul Khushal, made deposits into the business bank account. Only small amounts of cash were deposited into the business account. The cash register tapes for the restaurant were kept in the store. The average daily sales during the week were \$600 to \$700 and during the weekend \$1,500 to \$1,600.

174. Surveillance disclosed that this business was still in operation as of November 13, 2002.

175. Based on the foregoing information, and information contained elsewhere in this affidavit, there is probable cause to believe that the following crimes have been committed and that evidence of these crimes is located at these two locations:

- 26 U.S.C 7203, Failure to file Corporate Income Tax Returns for 2000 and 2001.
- 26 U.S.C 7203, Failure to File Employer's Quarterly Federal Tax Returns for 3rd and 4th quarters of 2000 and all four quarters of 2001.

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- 26 U.S.C 7203, Failure to file Employer's Annual Federal Unemployment (FUTA) Tax Returns for 2000 and 2001
- 26 U.S.C 7202, Failure to collect withholding taxes for 2000 and 2001.
- 18 U.S.C 371, Conspiracy to Defraud the United States.
- 8 U.S.C 1324, Bringing in and Harboring of Aliens.
- 8 U.S.C 1324(a), Unlawful Employment of Aliens.

**V. New York Fried Chicken
3141 W. North Avenue
Baltimore, MD 21216**

176. Records of Maryland Department of Assessments and Taxation show that on June 6, 1999, a corporation was formed, by the name of Dostan Inc.

177. A search of the IRS databases revealed that Dostan Inc., EIN 52-2174292, has the following filing history:

- Form 1120, Corporate Income Tax Returns – A return was filed for 1999 reporting gross receipts of \$57,182. No corporate returns were filed for 2000, 2001.
- Forms 941, Employer's Quarterly Federal Tax Returns – Returns filed for only 2000 and 2001, not 1999. Total wages reported on the 941's never exceeded \$9,000 per quarter.
- Form 940EZ, Employer's Annual Federal Unemployment (FUTA) Tax Return – Returns filed for 2000 and 2001 only. Total wages reported were only \$25,500 and \$21,000 for 2000 and 2001, respectively.

(As noted previously, that if four employees worked a full year with an hourly wage of only \$6.00, total wages for the year would be \$59,904.)

178. The State of Maryland Comptroller's Office certified the following filing history for Dostan Inc.:

- Maryland Employer Return of Income Tax Withheld form filed from January 2000 through June 2002, none filed for 1999.
- Sales and use tax returns for the period January 2000 through May 2002. These returns were filed on a monthly basis. Not all returns were available for review because they are missing or have been destroyed. Returns available for review were October 2000, November 2000, January 2001, February 2001, July 2001 through October 2001, December 2001 through March 2002 and May 2002. The average monthly sales based on the returns available for review is \$18,265. To extrapolate the gross receipts on an annual basis would be an estimated \$219,180.
- Form 500, Corporation Income Tax return – An initial return was filed for 1999 (period of June 7 – December 31, 1999). The figures used on that return were based on the Federal Income Tax return filed for the same period. Extensions were filed for the tax years 2000 and 2001; no returns have been received to date.

179. Maryland Unemployment Insurance reported the following filing history:

- Wages were reported for four employees. It was reported that Sher Ahmad and Rahmatullah Sharifi worked from the 2nd quarter of 2000 through 2nd quarter of 2002. Also reported was Mukhtar Ahmadi, for the 3rd quarter of 2000 and Hamayoon Ayubi for the 1st quarter of 2001 until the 2nd quarter of 2002. Reported total wages in each quarter did not exceed \$9,000.

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180. On June 7, 1999 Rahmatullah Sharifi opened a business checking account, #2000006357506, with First Union for Dostan Inc. 3139-43 W. North Avenue Baltimore, Maryland 21216. The account was closed on September 19, 2002. An analysis of this account disclosed the following total deposits and withdrawals:

<u>Year</u>	<u>Deposits</u>	<u>Withdrawals</u>
1999	\$87,550.37	\$87,318.02
2000	\$89,008.75	\$88,273.10
2001	\$127,173.62	\$127,061.48
2002	\$54,597.00	\$55,678.14

As noted previously with other businesses, the monies deposited into the account are nearly equal to monies withdrawn. This would imply that deposits are made only to cover those expenses that require payment by check.

181. Pennsylvania Motor Vehicles records show Mukhtar Ahmadi residing at 440 Amity Lane, North Wales, Pennsylvania 19454. City of Philadelphia land records indicate that Ahmadi purchased his residence on August 17, 2000 for \$322,000. As indicated above, Ahmadi is claimed to be a wage earning employee at this business, which is located well over 100 miles from his residence.

182. On November 8, 1999, Sher Ahmad, as Vice President of Dostan, Inc., signed a Terms Agreement and Personal Guaranty with Alliant Foodservice Inc., now known as US Foodservices Inc. for this business. In 1999, 2000 and up until September 2001, this business purchased \$9,433.44, \$62,969.31 and \$47,664.82, respectively, in inventory. Payments were made by cash, money orders and checks.

183. Surveillance disclosed that this business was still in operation as of

November 12, 2002.

184. Based on the foregoing information, and information contained elsewhere in this affidavit, there is probable cause to believe that the following crimes have been committed and that evidence of these crimes is located at this location:

- 26 U.S.C 7203, Failure to file Corporate Income Tax Returns for 2000 and 2001.
- 26 U.S.C 7203, Failure to file Employer's Quarterly Federal Tax Returns for 3rd – 4th quarters of 1999.
- 26 U.S.C 7201, Evasion of withholding taxes for all quarters of 2000 and 2001.
- 26 U.S.C 7203, Failure to file Employer's Annual Federal Unemployment (FUTA) Tax Return for 1999.
- 26 U.S.C 7201, Evasion of unemployment taxes for 2000 and 2001.
- 26 U.S.C 7202, Failure to collect withholding taxes for 1999, 2000 and 2001.
- 18 U.S.C 371, Conspiracy to Defraud the United States.

**W. New York Fried Chicken
1407 East Fayette Street
Baltimore, Maryland 21202**

185. Records of Maryland Department of Assessments and Taxation show that Unsir Hafeez formed a corporation On March 1, 2001, by the name of Dost Corporation located at 1407 E. Fayette Street #C, Baltimore, Maryland 21202.

186. A search of IRS databases revealed that Dost Corporation, EIN 52-2297465, has the following filing history:

- Form 1120, Corporate Income Tax Returns – Returns not filed for 2001.
- Forms 941, Employer's Quarterly Federal Tax Returns – Returns were filed for the 2nd, 3rd, 4th quarters of 2001, reporting wages of only \$2,800, \$4,550, and \$6,305, respectively.
- Form 940EZ, Employer's Annual Federal Unemployment (FUTA) Tax Return – Return not filed for 2001.

187. The State of Maryland Comptroller's Office certified that there were no records for Dost Inc., EIN: 52-2297465 for withholding, sales and use tax or corporation tax returns for 2001 through 2002.

188. Maryland Unemployment Insurance advised that three individuals were identified as employees during the 2nd quarter 2001 through 1st quarter 2002. The largest wages reported for any one quarter was only \$6,305.

189. On March 14, 2001, the Baltimore City Health Department issued license #16771 to New York Fried Chicken, 1407 East Fayette Street, Baltimore, MD. Habib Najebullah was listed on the application as the officer of Dost Corporation. On 3/11/02, Baltimore City Health Department issued a second license, #7466, this one to Unsir Hafeez, with a home address of 3600 Labyrinth Road #D10, Baltimore, MD, for this location. (This location was the site of a Baltimore City Police Department search warrant executed on September 10, 2002. INS agents detained six individuals, one of whom was Unsir Hafeez, located within the apartment at the time of execution of the

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warrant as being unlawfully in the United States. Most of these individuals said that they were employed either at a New York Fried Chicken or a Kennedy Fried Chicken.)

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190. On November 1, 2000, Habib Najebullah signed a lease with a personal guarantee for this location. The term of the lease is for five years with a monthly rent of \$1,300 for the first 24 months, then \$1,500 per month for the remainder of the lease.
191. On March 20, 2001, Unsir Hafeez, as President of Dost Corporation signed a Terms Agreement with Holly Poultry Inc., on behalf of this business. Responsibility for payments on the account is that of "Nasser". (No other name was given). In 2001, this business purchased \$47,651.11 in inventory. Payments were made in the form of cash or money orders. From January 2002 through September 2002, \$36,220.80 in purchases were made, with most payments made in cash and only a few by check.
192. On March 16, 2001, Unsir Hafeez signed a Terms of Agreement and Personal Guaranty with Alliant Foodservice Inc, now known as US Foodservice Inc., for this business. This business purchased \$21,995.67 and \$5,317.90 in inventory for 2001 and from January through September 2002, respectively. Checks were the main form of payment used on this account at the request of Alliant.
193. On April 11, 2001, Dost Corporation, t/a New York Fried Chicken, 1407 East Fayette Street, Baltimore, Maryland opened business account #0039 3038 9487 at Bank of America. An analysis of this account disclosed a

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pattern discussed previously, that deposits into this account for 2001 were

\$40,850.80 and withdrawals were \$40,847.70.

It should be noted that in 2001, this business purchased \$69,646.78 in inventory from only the two vendors referred to above. In addition to those expenditures, the business would incur additional expenses relative to payroll, rent (\$1,300 x 12 = \$15,600), utilities and purchases from other vendors.

Clearly, the activity in this account does not reflect a complete financial accounting of this location.

194. Surveillance disclosed that this business was still in operation as of November 14, 2002.

195. Based on the foregoing information, and information contained elsewhere in this affidavit, there is probable cause to believe that the following crimes have been committed and that evidence of these crimes is located at this location:

- 26 U.S.C 7203, Failure to file Corporate Income Tax Return for 2001.
- 26 U.S.C 7201, Evasion of withholding taxes for 2nd - 4th quarters of 2001.
- 26 U.S.C 7203, Failure to file Employer's Annual Federal Unemployment (FUTA) Tax Return for 2001.
- 26 U.S.C 7202, Failure to collect withholding taxes for 2001.
- 18 U.S.C 371, Conspiracy to Defraud the United States.
- 8 U.S.C 1324(a), Unlawful Employment of Aliens.

Your affiant, consulted with IRS Special Agent Donald W. Manser, Jr., a certified Computer Investigative Specialist. Special Agent Manser graduated from the Seized Computer Evidence Recovery School in 1998, the Network Seized Computer Evidence Recovery School in 2000, and from the Computer Investigative Specialist School at the University of North Texas in 1999. He received training in the execution of search warrants involving computers and related equipment, electronic data preservation, and the recovery, documentation and authentication of evidence.

Based upon your affiant's knowledge and training and consultations with Special Agent Manser, your affiant knows that searching and seizing information from computers often requires agents to seize most or all electronic storage devices (along with related peripherals, discussed below) to be searched later by a qualified computer expert in a laboratory or other controlled environment. This is true because of the following:

The volume of evidence: Computer storage devices, such as hard disks and diskettes, can store the equivalent of thousand pages of information. Additionally, a suspect may try to conceal criminal evidence. He or she might store it in a random order with deceptive file names. This may require searching authorities to examine all the stored data to determine which particular files are evidence or instrumentalities of a crime. This sorting process can take weeks or months, depending on the volume of data stored, and it would be impractical to attempt this kind of data search on site, especially at a personal residence.

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02-3709 PWG

Technical requirements: Searching computer systems for criminal

evidence is a highly technical process requiring expert skill and a properly controlled environment. The vast array of computer hardware and software available requires even computer experts to specialize in some systems and applications; therefore, it is difficult to know before a search which expert is qualified to analyze the system and its data. In any event, however, data search protocols are exacting scientific procedures designed to protect the integrity of the evidence and to recover even "hidden", erased, compressed, password-protected, or encrypted files. Since computer evidence is extremely vulnerable to inadvertent or intentional modification or destruction (both from external sources and from destructive code imbedded in the system as a "booby trap"), a controlled environment is essential to its complete and accurate analysis.

Based on your affiant's knowledge and training and from consultations with Special Agent Donald Manser, your affiant knows that searching computerized information for evidence or instrumentalities of crimes commonly requires agents to seize most or all of a computer systems input/output peripheral devices, related software, documentation, and data security devices (including passwords) so that a qualified computer expert can accurately retrieve the system's data in a laboratory or other controlled environment. This is true because of the following: the peripheral devices that allow users to enter or retrieve data from the storage devices vary widely in their compatibility with other hardware and software. Many system storage devices require particular input/output (or "I/O") devices in order to read the data on the system. It is

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important that the analyst be able to properly re-configure the system as it now operates in order to accurately retrieve the evidence listed above. In addition, the analyst needs the relevant system software (operating system, interfaces, and hardware drivers) and any applications software which may have been used to create the data (whether stored on hard drives or on external media), as well as all related instruction manuals or other documentation, and data security devices. If, after inspecting the I/O devices, software, documentation and data security devices, the analyst determines that these items are no longer necessary to retrieve and preserve the data for evidence, the government will return them within a reasonable time. Data analyst may use several different techniques to search electronic data for evidence or instrumentalities of crime. These include, but are not limited to the following; examining file directories and subdirectories for the list of files they contain, "opening" or reading the first few "pages" of selected files to determining their contents, scanning for deleted or hidden data, searching for key words or phrases ("string searches").

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CONCLUSION

Based upon the foregoing information, your affiant believes that there is probable cause to believe that currently in the locations enumerated herein there exist books and records (in paper and/or electronic form), as more particularly described in Attachment B, which are evidence and/or instrumentalities of violations of the following crimes: Title 18 U.S.C. Section 371; Title 26 U.S.C. Sections 7201, 7202, 7203, 7212; and Title 8 U.S.C. Sections 1324 and 1324(a).

[REDACTED]
[REDACTED] Special Agent
Internal Revenue Service

Subscribed and sworn to before me this 09 day of December 2002.



Paul W. Grimm
United States Magistrate Judge